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Daily Report

Latin America

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Daily Report

Latin America

FBIS-LAT-89-108

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Foreign Ministers To Discuss 'Armed Groups'

PA0606130989 San Jose Radio Reloj in Spanish
1242 GMT 6 Jun 89

[Text] The Central American foreign ministers will meet this weekend in Guatemala. They will learn about a report on the demobilization of the armed groups in the countries of the region and will draft a document that will be taken to the presidential summit in Honduras.

Costa Rican Foreign Minister Rodrigo Madrigal Nieto has said there are some obstacles that are preventing progress in the subjects of verification and control because of the current conflict between Honduras and Nicaragua stemming from the Sandinists' suit against Honduras at the International Court of Justice.

Reportage on OAS Commission on Panama Meeting

Londono Prevents 'Confrontation'

PA0606221289 Madrid EFE in Spanish 2054 GMT
6 Jun 89

[Text] Bogota, 6 Jun (EFE)—Diplomatic sources who participated in the 17 May debate have said that Colombian Foreign Minister Julio Londono's mediation prevented a direct confrontation between Panama and the United States at the OAS, which met to seek a solution for Panama's crisis.

Presided over by Londono, the OAS sent an investigating commission to Panama, which presented a report to the continent's foreign ministers today.

The commission, formed by the foreign ministers of Ecuador, Guatemala, and Trinidad and Tobago, could have its mediating role extended if the OAS plenum believes there are not yet sufficient guarantees for a peaceful government transition in Panama after the 7 May elections were annulled.

A diplomatic source who attended the first OAS foreign ministers meeting told EFE that those attending "have decided to work toward a Latin American consensus." Before making a joint statement on the political situation in Panama "they expect positive results from the recently initiated mediation efforts."

The source pointed out that, although at the start of the meeting the U.S. and Panamanian "positions were extreme and virtually irreconcilable, which threatened Latin American unity," Colombia worked the miracle of a consensus.

While the United States demanded general condemnation of General Manuel Antonio Noriega, the chief of the Panama Defense Forces [FDP] who has been accused of "manipulating" the 7 May elections in favor of the

government candidate, Panama tried again and again to get the OAS to condemn the government in Washington for its alleged intervention in the country.

The Colombian Foreign Ministry has said Colombia "probed" the OAS member countries' stances before the general meeting to prevent, with "its good offices," a confrontation between those who follow Washington's policy and those who follow Panama's policy.

Before the plenum session was opened today, the Group of Eight foreign ministers, with the exception of Panama, met at the Colombian Embassy in Washington to "study similar stances."

The Colombian foreign ministry has reported that an "informal dialogue" was held later to prepare the assembly.

OAS To Extend Mission Mandate

PA0606174789 Paris AFP in Spanish 1637 GMT
6 Jun 89

[Excerpts] Washington, 6 Jun (AFP)—According to statements by Latin American diplomats today, the OAS foreign ministers mission in charge of "ensuring the transfer of power" in Panama will return to that country to accelerate and establish "formulas of agreement" between General Manuel Antonio Noriega's government and the opposition forces.

The Panamanian crisis worsened last month after the annulment of the 7 May presidential elections, which the Panamanian opposition asserts it had won.

The decision to extend the OAS mission's mandate was made at unofficial sessions held by Latin American foreign ministers and ambassadors in Washington. The decision must be officially made at the OAS foreign ministers consultation meeting.

A Latin American ambassador told AFP: "The least the OAS can do now is to extend the mandate of the OAS ministerial mission." The same source added: "If the situation does not undergo a spectacular change, we only need to know for how long the mission's mandate can be extended, although there are talks about extending it for another 15 to 30 days."

The foreign ministers of the Group of Eight—which is in fact seven, because Panama is suspended from the group—met during a working breakfast early this morning at the Colombian Embassy in Washington and then entered the foreign ministers and (or) ambassadors room and joined the representatives of the remaining 24 OAS member states to discuss a draft resolution on the Panamanian situation, which must be approved by the OAS ministerial meeting.

The report presented by the members of the OAS mission that visited Panama recently soon turned into an important working document and its conclusions gave way to a majority decision to extend the mission's mandate. [passage omitted]

The mission's conclusions were summarized in a five-page report providing details on the various meetings and conversations held in Panama.

Similarly, the main part of the document proposes an extension of the mission's mandate to attain formulas of agreement that would solve the Panamanian crisis.

"The mission considers that there are possibilities of understanding among the parties," because of three factors it considers of vital importance for a dialogue:

"A. All groups with which we met agree that the problem of the constitutional vacuum that will be created on 1 September (date on which a presidential change must take place according to the Constitution) must be solved.

B. Both parties agree on the feasibility of holding negotiations and arriving at conciliatory positions. They also agree it is feasible to overcome antagonistic attitudes through political formulas based on mutual concessions.

C. It is evident both parties share a concern for the need to immediately resume Panama's economic reactivation and normalize Panama's international relations."

"Therefore, bearing these things in mind," the report states, "the mission is convinced that it is highly advisable to extend its mandate, based on Resolution I of the 21st consultation meeting of OAS foreign ministers, to allow Panama to reach an agreement that will help the country overcome its current domestic and international political situation." [passage omitted]

The ministers' consultation meeting will continue sessions today in Washington at 2000 GMT. It is not yet known at what time the meeting will end. The previous session, held on 17 May, ended at midnight (0400 GMT).

Ministers Agree on Extension

PA0606231489 Madrid EFE in Spanish 2214 GMT
6 Jun 89

[Text] Washington, 6 Jun (EFE)—The foreign ministers of Latin America, the Caribbean, and the United States, in a virtually unanimous agreement, decided today to extend the mandate for the OAS mission charged with finding a solution to the Panamanian crisis, Latin American sources have told EFE.

The mission, composed of Mario Palencia, Diego Cordovez, and Sahadeo Basdeo, the foreign ministers of Guatemala, Ecuador, and Trinidad and Tobago, respectively, and OAS Secretary General Joao Baena Soares will submit a report on their efforts in Panama today during a consultation meeting of the OAS.

The ministers, except for the Nicaraguan representative, Vice Foreign Minister Hugo Tinoco, decided during a meeting at the Colombian Embassy in Washington to extend the mission's deadline until the 10th or 19th of July at the latest.

According to the sources, Tinoco argued that the OAS must endeavor to defend democracy and the respect for human rights worldwide, not just in one country or when a hemispheric nation has a problem with the United States.

The sources said that no resolution will be issued at the consultative meeting, only the report in which Colombian Julio Londono, president of the meeting, will read a statement extending the working period of the mission, created on 17 May to seek "concertation" formulas in Panama.

Panamanian Foreign Minister Jorge Ritter stated that the problem of his country must be resolved by the self-same Panamanians, although he noted that the OAS can aid in achieving this objective and "we will welcome it."

Cordovez, the Ecuadoran foreign minister and mission member, neither confirmed nor denied whether he had met secretly for 5 hours with General Manuel Antonio Noriega, commander in chief of the Panama Defense Forces, on Sunday.

"I never talk about meetings that I hold or do not hold during a negotiation process," Cordovez said, adding that in Panama "there is the political disposition to settle the crisis."

Lawrence Eagleburger, U.S. undersecretary of state, said he agreed that the mission should be given an extension of mandate and reiterated that the United States will not normalize its relations with Panama as long as Noriega remains in power.

Meeting Adjourned Until 19 July

PA0706030889 Paris AFP in Spanish 0234 GMT
7 Jun 89

[Text] Washington, 6 Jun (AFP)—The meeting of OAS foreign ministers was adjourned at 2215 tonight (0215 GMT) by Colombian Foreign Minister Julio Londono, who presided over the session.

On this occasion the foreign ministers decided to extend until 19 July the term of the OAS mission that visited Panama recently to seek conciliation between the government and the opposition to ensure the "transfer of power," contemplated by the Constitution for 1 September.

The 21st consultative meeting of the OAS foreign ministers was left open until 19 July, on which date it will receive and study the final report of the conciliating mission.

The pan-American ministers also rejected a draft resolution presented by Nicaragua "which was not on the agenda of the meeting," that was called—they said—"only to discuss the Panamanian situation."

The Nicaraguan draft asked that the OAS supervise the electoral processes in all countries of the continent and that the 21st consultative meeting be adjourned.

Cuba

Soviet, U.S. Reactions To Chinese 'Crisis'

*FL0606194389 Havana Tele-Rebelde Network
in Spanish 1700 GMT 6 Jun 89*

[Text] A declaration issued by the first congress of the people's deputies of the Soviet Union expresses confidence that an adequate solution to the internal crisis in China will be reached. The document approved by the majority at the forum, which is meeting in Moscow, indicates that the important thing is to patiently seek solutions that will consolidate Chinese society. The current events in that country are an internal Chinese matter and it would be inappropriate to exert any kind of external pressure, the Soviet deputies said. The document expresses the hope that wisdom, sensibility, and common sense will prevail and that a worthy solution will be reached so that China can advance in the peaceful and free construction of socialism.

The respectful Soviet reaction to China's sovereignty contrasts with the reaction of the United States on the incidents that occurred in Beijing and in other Chinese cities. The U.S. position was made known yesterday by President George Bush.

The head of the Republican administration announced in Washington that he was suspending U.S. Government sales to China, as well as official visits. Bush, obviously interfering in the internal affairs of that nation, said he would send aid to treat those injured in the weekend clashes although no one in Beijing has requested such assistance. The United States also suggested its citizens and tourists leave China.

The White House resident alleged that the Chinese Army had attacked what he called peaceful demonstrators. Nevertheless, press reports from the scene of the events say weapons were stolen from the military and casualties were reported among the soldiers before the military could take any action.

Chinese Foreign Minister To Visit 7-10 June

*FL0606144289 Havana Radio Reloj Network
in Spanish 1421 GMT 6 Jun 89*

[Text] Tang Yonggui, Chinese ambassador in Havana, has said that the upcoming visit of the PRC foreign minister will allow for an increased exchange of viewpoints to further develop bilateral relations. The Chinese diplomat said that during his visit to Cuba from 7 to 10 June, Foreign Minister Qian Qichen will tour economic and social centers, as well as scientific institutions. Qian will also meet with high-level leaders of the Communist Party of Cuba and the government, the diplomat added. This will further enrich the foreign minister's knowledge of Cuba, said the Chinese envoy. He also conveyed a message of friendship from the Chinese people to the Cuban people.

Our minister, added the diplomat, has recently had several personal contacts with Cuban Foreign Minister Isidoro Malmierca.

Havana Notes Chinese Spokesman's Remarks

*FL0606184189 Havana Tele-Rebelde Network
in Spanish 1700 GMT 6 Jun 89*

[Text] Chinese authorities today stressed that this weekend's disturbances in Beijing resulted in more than 300 deaths and 7,000 injuries.

A Council of State spokesman said on television that the statistics are incomplete but they indicate that the military caused the majority of injuries and missing people. The spokesman reiterated that the disorders are of a counterrevolutionary nature and he added that a first victory has been attained with the restoration of order even though demonstrations, which he described as very serious, continue. Chinese television showed footage of attacks with Molotov cocktails and stolen weapons on military and civilian vehicles.

Several autonomous provinces and regions have expressed their support for the measures to eliminate anarchy announced by the Council of State and the Central Committee of the Chinese Communist Party. Nevertheless, sporadic shooting can be heard and vehicles can be seen on fire in the capital.

Angolan Delegation Visits Las Tunas Province

*FL0106123489 Havana Tele-Rebelde Network
in Spanish 1100 GMT 1 Jun 89*

[Text] A visiting delegation of the the People's Republic of Angola's Ministry of the Interior is touring Las Tunas Province. There, the delegation is touring works for the socioeconomic development of the nation, as well as MININT [Ministry of the Interior] units.

The delegation headed by Major Daniel Sahevembo, and which is made up of various officers from the different work branches of that military organ, have held meetings with the leadership of the Las Tunas MININT.

This visit will last for a week. During this period, the delegation will visit the 200-T1 Steel Rolling Mill, the factory that makes welded structures, [words indistinct] of the province.

Estonian Visitors Conclude Granma Province Tour

*FL0106150389 Havana Radio Reloj Network
in Spanish 1403 GMT 1 Jun 89*

[Text] Thirty tourists from the Soviet Republic of Estonia have concluded their tour of Granma Province. The tour, which began last Monday [29 May], included visits to historical and social areas.

The last places the visitors toured in Bayamo were the Simon Bolivar EPEF [Elementary Physical Education School], a health polytechnical center, and a senior citizens' home.

PCC Official Speaks on Relations With Vatican

PA0506224089 Havana International Service
in Spanish 0000 GMT 4 Jun 89

[Telephone interview with Dr Jose Felipe Carneado, member of the Central Committee of the Communist Party of Cuba and chief of the Religious Affairs Department, by Julio Dominguez in Rome; date not given—recorded]

[Text] Dr Jose Felipe Carneado, member of the Central Committee of the Communist Party of Cuba [PCC] and chief of the Religious Affairs Department, a few days ago visited Rome, invited by Cardinal Jose Echegaray, president of the Peace and Justice Papal Commission. The high-ranking Cuban official was received by Pope John Paul II. We have contacted Dr Carneado in Europe.

[Dominguez] Doctor, we would like to know how you were received in Rome?

[Carneado] It was a very nice reception, and somewhat surprising. Cardinal Jose Echegaray; Pio Renzo Angelini, a leader of the Rome health workers; and Cesar Sanctis, the former Vatican representative in Cuba, were all at the airport. It was a very cordial, friendly, and enthusiastic welcome by his hosts.

[Dominguez] How about the meeting with the pope? What topics did you discuss?

[Carneado] It was a very cordial and friendly meeting. His Holiness received me in his library. It was a very close meeting, just the two of us. We talked about his forthcoming visit to Cuba. He said that in the future, he also wanted to visit other islands in the Caribbean that he has not yet visited. He passed along warm greetings for the president and he appeared pleased with the message from Fidel that I took.

[Dominguez] All this means that there are good relations between the Catholic Church and the Government of Cuba. How about the ties between the two in Cuba?

[Carneado] Relations in Cuba today can be described as good, very good. In other words, the phase of confrontation is a thing of the past. Today, dialogue prevails, and relations are normal, getting progressively better. Naturally, I am optimistic concerning the future of these relations. In the Vatican, it is also evident that relations between the Catholic Church, its dignitaries, and the Cuban Government are good.

Portuguese Intellectual Speaks About Namibia

FL0606014289 Havana Television Service in Spanish
0000 GMT 7 Jun 89

[Text] The Namibian people have entered a qualitatively new phase in their struggle for independence. Lic Sira Cerqueira, member of the presidency of the national directorship and secretariat of the Portuguese Council for Peace and Cooperation, is in our country for an exchange visit with the Cuban Movement for Peace.

In a news conference granted today, the intellectual spoke about the present situation in Africa and the struggle by its peoples for sovereignty. The role played by each country's movement for peace should be to support decolonization and freedom, said Cerqueira. He also said that the activities carried out by these movements are positive because of their struggles' objectives.

UN Resolution 435 should be fulfilled without change. SWAPO [South-West African People's Organization] will give Namibia its true independence, concluded Cerqueira.

Polish Group Here for Socialist Bloc Meeting

FL0606140089 Havana Tele-Rebelde Network
in Spanish 1100 GMT 6 Jun 89

[Text] A delegation from the Polish People's Republic arrived last night in our country to attend the meeting for secretaries of central committees of socialist countries. The Polish delegation is headed by Kazimierz Cyprianiak, member of the Politburo and chairman of the Control Committee of the Polish United Workers Party [PZPR]. The entourage also includes Roman Rosinski, deputy chairman of the PZPR secretariat department [title as heard]. Jose Ramon Machado Ventura, member of the Communist Party of Cuba Central Committee Politburo, welcomed the guests at the airport.

Machado Opens Meeting

FL0606190089 Havana Radio Rebelde Network
in Spanish 1700 GMT 6 Jun 89

[Text] The meeting for central committee secretaries from socialist countries, who are tasked with the organizational work of their parties, opened this morning at the Palace of Conventions. Jose Ramon Machado Ventura, member of the Communist Party of Cuba Central Committee Politburo and Secretariat, gave the opening speech. He emphasized that our people, government, and our party are excited to be the hosts of this important event. Machado Ventura added:

[Begin Machado recording] Dear comrades, you are visiting us during what may be the most interesting and encouraging time of our revolutionary work. The Cuban Revolution, with the maturity it has gained with 3 decades of experience, and with the same enthusiasm it had in the beginning, is today carrying out a productive process of rectification of errors and negative tendencies.

Thus, we are going through a phase of renovated momentum and revolutionary creativity which attempts to find new and efficient solutions to old and new problems. We are rectifying old errors. We are also rectifying those errors that could inevitably surge again as part of a process of permanent self-perfectioning in the building of socialism, (?while) we remain loyal to the principles of Marxism-Leninism. [end recording]

During this meeting, the party leaders will exchange opinions and experiences regarding the organizational work being carried out by their respective parties.

Alarcon Meets Latin American Representatives

FL0106125389 Havana Tele-Rebelde Network
in Spanish 1100 GMT 1 Jun 89

[Text] Cuban Vice Foreign Minister Ricardo Alarcon [words indistinct] at the United Nations about Namibia's independence and the necessary application of UN Security Council Resolution 435 which establishes the basis for that process.

In a statement to PRENSA LATINA, Alarcon said that during a recent meeting held with 15 representatives of the Latin American and Caribbean Group [Grula] countries, at that organization's headquarters, he explained to the delegates the present situation in Namibia and told them about the recent meetings of the joint commission made up of Cuba, Angola, and South Africa.

The Cuban official said that the talks were held with the Grula countries with which Cuba has diplomatic relations, and with Colombia and Jamaica as guests.

Meets UN's Pickering

FL0606143289 Havana Tele-Rebelde Network
in Spanish 1100 GMT 6 Jun 89

[Text] Cuban Vice Minister Ricardo Alarcon has met with Thomas Pickering, chairman of the Security Council, at UN Headquarters to discuss the application of UN Resolution 435 regarding Namibia's independence.

Alarcon reiterated that Cuba feels it is up to the United Nations to assume the responsibility for ensuring that the process of Namibian decolonization be carried out as agreed. The Cuban diplomat said he feels the key to its success will be in the achievement of a truly democratic process. This process, he added, would require that Namibian citizens abroad return and that the conditions which will permit free elections without any discrimination be created.

Former Cosmonaut To Attend DPRK Festival

FL0606163289 Havana Radio Reloj Network
in Spanish 1403 GMT 6 Jun 89

[Text] Colonel Arnaldo Tamayo Mendez, hero of the Republic of Cuba and the Soviet Union, recently visited the DPRK where he will soon return as a guest of honor to attend the 13th World Youth and Student Festival.

Tamayo's first encounter with that brother country was from space. He said it looked like a peninsula with a peculiar shape, large [word indistinct], rivers, and surrounded by water on three sides. He says he saw a homogeneous country without borders, a great nation.

The Cuban cosmonaut said that when he was 10 years old and the United States unleashed the Korean War, many Cubans opposed being recruited to take part in the fighting.

Tamayo Mendez, who is also an alternate member of the Communist Party of Cuba Central Committee, added that in 2 years, majestic buildings have been built in the DPRK to celebrate the festival.

Government To Transport Delegates

FL0606174189 Havana Radio Reloj Network
in Spanish 1406 GMT 6 Jun 89

[Text] At the request of the permanent commission of the DPRK youth festival, our country will transport more than half of the 280 Caribbean delegates to the World Youth and Student Festival.

Cubana de Aviacion will pick up 150 representatives from 16 Caribbean countries in Georgetown [Guyana] and Barbados and will transport them to Havana where they will have a lay over of a few hours before departing for the DPRK. The same service will be provided for their return. In addition to transportation costs, Cuba will also cover lodging expenses.

The 150 Caribbean delegates attending the festival, who will receive assistance from our nation, come from Grenada, Guadeloupe, Guyana, Barbados, Dominica, Guyana [repeats herself], St Lucia, Martinique, and others.

Havana Commentary on Chile-Bolivia Relations

PA0706022989 Havana International Service
in Spanish 0000 GMT 6 Jun 89

["Our America" commentary by Urbino Amaya]

[Text] The Chilean Government's stubborn stance of not yielding to the Bolivian demand for recovering an outlet to the sea is further evidence of its refusal to promote solutions that have much to do with relations among the states. The Chilean military regime recently rejected a request by the Andean Pact countries to help solve Bolivia's maritime problem. The conflict dates back to 1879 when Bolivia lost its outlet to the sea after the

so-called Pacific War that Peru and Bolivia fought against Chile. As a result of the war, Peru and Bolivia each lost part of their territories.

According to historians, there were Chilean and Bolivian oligarchic interests moving behind the scenes, and these interests were in turn being manipulated by British imperialism, which exploited the saltpeter deposits in the area.

The Chilean Foreign Ministry insists there have been no border problems with Bolivia since 1904, when a peace treaty was signed. However, inasmuch as two countries lost part of their territories, periodic incidents do take place, while the affected nations resort to making demands at various international forums. Nonetheless, the Chilean regime refuses to accept any suggestions for negotiations.

At any rate, Santiago and La Paz maintained tense relations, which were broken in 1962 when Chile unilaterally used the waters of the bordering Lauca River. Ties were restored in 1977, and again broken a year later when dictator Hugo Banzer Suarez failed to convince Pinochet of the need to negotiate Bolivia's outlet to the sea.

The conflict returned to the international picture following recent statements by the presidents of Colombia, Peru, Argentina, and Venezuela on the occasion of the 20th anniversary of the Andean Pact—of which Bolivia is also a member—demanding once again Bolivia's outlet to the sea.

The abovementioned presidents urged prompt resolution of the problem, which, they point out, restricts Bolivia's development. However, Chile has again refused to accept the proposal. A Foreign Ministry communique argued that Chile is not willing, under any circumstances, to satisfy Bolivia's aspirations at the cost of its own territory. Despite the absurd refusal, Bolivia's sovereign rights over part of its territory lost in an imperialist war will always be a matter of dispute.

Armed Forces Not Trusted by Haitian President
PA0506215589 Havana International Service
in Spanish 0000 GMT 4 Jun 89

[“Our America” commentary read by Fernando Alcorta]

[Text] A little over 2 months after he foiled a coup d'etat against him, Haitian President General Prosper Avril does not trust his Armed Forces. This is evident in his having to punish, by transferring to other units, members of two important battalions that participated in a rebellion after the attempted coup. He has been able to reestablish relative stability, but not definite stability. One can talk of reorganizing what is left in the Army, but not of it being loyal to the government, the president said a few days ago in a resentful tone.

There is reason for his concern, as it is recalled that two of the most important Haitian military units rebelled against the authority of the Executive Branch. These units—the Jean Jacques Dessalines Battalion, with 800 men, and the Leopards Battalion, with 400 men—were later dismantled and their members scattered among garrisons in various parts of Haiti.

It is advisable to point out that the Jean Jacques Dessalines Battalion is one of the most important Army units, after the Presidential Guard—the spearhead of the Avril coup against the regime of Henri Namphy. Up until recently, this battalion was led by former Haitian strongman, Colonel Jean Claude Paul, who reportedly had a very special relationship with his subordinates. Paul used to pay them extra wages, using funds from his narcotics trafficking business.

As everyone knows, Col Paul was murdered following his scandalous replacement. At the time of Paul's murder, the battalion was led by Colonel Guy Francois, who participated in the rebellion following the attempted coup. Some observers believe that after the fall of Jean-Claude Duvalier, the Duvalierist goons—also known as the Tonton Macoutes—ended up in the Dessalines Garrison, and that members of both the Dessalines Battalion and the Tonton Macoutes played a key role in the June-July 1987 repression against the people and during the days prior to the elections that same year.

The Leopards Battalion was created in 1971, when Francois Duvalier was still alive. It was organized as an elite battalion to fight against rebels. Many say it was modeled after the U.S. Green Berets. It is believed that one of the reasons these important military units rebelled is because they were formed under Duvalier. From a social point of view, all of the battalion members were chosen to enter the military academy because they were members of pro-Duvalier families. It is also said that the close alliance of these officers with drug trafficking and Col Paul could have led to the discontent.

One must not forget that the United States exerted pressure on President Avril to put an end to drug trafficking if he wanted to receive economic aid. Now that they have been dismantled, the Leopards and the Dessalines Battalions members create discontent wherever they go. There is no wonder Gen Prosper Avril feels his government is still being threatened.

No Room for ‘Submissive Tolerance’ in Nation
FL0706002089 Havana Radio Rebelde Network
in Spanish 2324 GMT 6 Jun 89

[Station commentary during “Exclusivo” program]

[Text] The controversial subject of world socialism's alleged crisis is today the preferred theory of Western analysts who, after staying up all night with this question, have foreseen a new parceling of the world and the collapse of Marxism-Leninism.

Under the pretext that new times are governing, and that the solid situations in Poland, Hungary, the PRC, or the Soviet Union show signs of change, anti-Cuban ideologues today brandish a new theory entitled: tolerance.

This subtle campaign is being carried out by anti-Cuban elements who ask the Revolution for tolerance in the nation's political order. A few days ago, a radio evangelist, who was on this soapbox, preached tolerance to Fidel Castro's government with regard to an alleged change of views on the island.

What is hiding behind this campaign? Apparently, people excited by the destabilized Chinese situation where, under the cover of requests for democratic reforms, the counterrevolution is trying to fish in stormy waters. Or it is people excited by the internal concessions in Poland, or political fickleness in Hungary. The anti-Cuban theorists are trying to cast an aggressive hook against our people labeled tolerance.

Tolerance, by chance for the worms in Miami? Tolerance for counterrevolutionaries in different disguises? Was the Cuban Revolution tolerant when it exchanged the mercenaries of Giron for compote? Was it tolerant when it did not shoot traitors who made attempts against the state's security and who are today the first ones to cackle from Miami? Was it tolerant to free the ex-Batista policeman Armando Valladares, despite his fake paralysis? And it is and will be tolerant with problems of basic humanitarian nature.

The people who are entitled to discussion, analysis, and even discrepancies in the Cuban political spectrum are the revolutionaries. Among revolutionaries there can be tolerance. For the others, for those who try to destroy order and pull apart the people's conquests with concealed ideas, there will be no room. Socialism has transformed the Cuban reality, and only socialism will lead us to new conquests.

The tolerance we are asked for today is submission. This submissive tolerance will never find support here. In the middle of confusion, mistakes, and opportunism, Cuba's road is defined. Fidel said it when he proclaimed that there will be socialism or death!

Returned Internationalists Exceeds 9,000
*FL0206144889 Havana Tele-Rebelde Network
in Spanish 1100 GMT 2 Jun 89*

[Text] The return last night of a new group of internationalists now brings the number of combatants that have returned to the fatherland to 9,267. Standing tall and proud, our men and women were received by Jose Ramon Balaguer, secretary of the Central Committee of the Communist Party of Cuba; Brigade General Lino Cabrera Martinez; and representatives of political and mass organizations.

Of the more than 150 soldiers and officials who returned, 81 of them have the Defense of Cuito Cuanavale Medal. Almost a hundred of the internationalists directly participated in combat and hold the Internationalist Medal, first class. One of the combatants was awarded the Calixto Garcia Medal.

Another 150 Arrive
*FL0306132789 Havana Tele-Rebelde Network
in Spanish 1300 GMT 3 Jun 89*

[Text] Last night, a new group of internationalists arrived in the fatherland after having successfully completed their missions in Angola.

The more than 150 combatants were received by Jose Ramon Balaguer, secretary of the Communist Party of Cuba Central Committee, Brigade General Lino Carrera Rodriguez, chief of Havana City Province's General Staff, as well as other generals, chiefs, and officials of the FAR [Revolutionary Armed Forces] and MININT [Ministry of the Interior], and leaders of mass organizations.

Of the returning comrades, 40 possess the Internationalist Combatant Medal, first class; 111 the second class medal; and 1 has the Calixto Garcia Medal. Also, 17 combatants bear the Defense of Cuito Cuanavale Medal, and 32 have the Distinguished Service Medal.

All combatants bear the Cuba-Angola Victory Medal. With this arrival, the agreements signed in December of last year continue to be fulfilled.

Castro Speaks at Santa Fe Ground-Breaking
*FL0606124789 Havana Tele-Rebelde Network
in Spanish 1100 GMT 6 Jun 89*

[Text] Last night, Commander in Chief Fidel Castro also attended the ground-breaking ceremony for the construction of the Santa Fe omnibus terminal in Havana City. The ground breaking was done by brigade No 11 of the Blas Roca contingent, and the terminal will be built by the Jesus Suarez Gayol brigade of manual sugarcane cutters.

[Begin Castro recording] Thanks to your efforts, we have already been able to begin construction. When I see you working like this, at this time, I have no doubt that this will be finished this year. As I said a few days ago, the creation of the Blas Roca contingent was a true revolution in [passage indistinct] the highest point in the history of the country's construction projects, regarding organization and productivity. No capitalist enterprise has ever built like the Blas Roca Contingent builds. I will say something else: There is not a country in the world, or construction collective, that builds with the intensity and the productivity with which the Blas Roca contingent builds. For our Revolution, our country, Cuba, it is a pride to have construction workers like you. That is why, as we warmly congratulate you and express our excitement as we see what you have done in 27 days here, I say to you that we feel really proud of having

workers like you. We feel happy, as revolutionaries, as men who want to show what socialism is capable of doing. [applause] [crowd shouts: Fidel! Fidel!] [end recording]

Nonaligned Press Agencies To Meet in Luanda

*FL0106152889 Havana Radio Reloj Network
in Spanish 1404 GMT 1 Jun 89*

[Text] Today, the Fifth General Conference of the Non-aligned Movement Press Agency pool [preceding word in English] will begin its work in Luanda, capital of Angola.

The members of the pool's [preceding word in English] organizing committee met yesterday in Luanda to approve the meeting's agenda, work on resolution projects, and resume that organ's work.

The president of the Cuban Pool [preceding word in English] Coordinating Committee, Pedro Margolles, classified as very important the fact that the meeting was being held in Angola, which is playing an increasing role in the region of southwest Africa.

Faced with the present circumstances in that region, the pool [preceding word in English] has a great responsibility regarding the unification of efforts of the Nonaligned Movement in its struggle against neocolonialism, racism, and all forms of oppression, said Margolles.

Justice Minister Escalona on Legal Policies

*FL0206134089 Havana Radio Rebelde Network
in Spanish 2325 GMT 1 Jun 89*

[Interview with Justice Minister Juan Escalona by Josefa Bussi at the Justice Ministry during "Exclusivo" program hosted by Daniel Torres—live via mobile unit]

[Text] [Bussi] Thank you Daniel. Good evening Cuba. As you reported, we are at the office of Justice Minister Juan Escalona who has been very kind in agreeing to hold a brief exchange of views with the "Exclusivo" listeners. Good evening, Mr Minister.

[Escalona] First of all, good evening. Well, the ministry has functions provided by the country's legislation. They are fundamentally related to advising the National Assembly and the Council and Ministers regarding the creation of laws. In the fulfillment of these responsibilities, we have worked very hard in the changes made to the Criminal Code, the new Notary Law, the Civil Registry, etc. We are currently complying with the decisions adopted regarding the process of rectification of mistakes. We are working on a bill that will modify the structure and operation of the country's tribunals. We are also working on a draft bill to change the Family Code, in an attempt to modernize it.

Later, we have in the agenda of this legislative process significant changes to the two procedural laws, civil and criminal procedural laws. We also have to work on the

changes of our labor laws in the area of procedures in attempt to get the laws in line with all those fantastic experiences the labor movement is having, to all those experiences the contingents are having, and to what is already being informed as legal decisions regarding health, tourism, and other workers.

[Bussi] Mr Minister, I believe that at this time there have been more reports on the crimes being perpetrated in the country and, of course, on the punishment. Nevertheless, there are contradictory views. It is said that crime activities have increased since depenalization was implemented. What is your opinion on this?

[Escalona] I can tell you with all confidence that, evidently, as of the end of the year—since December and during the first few months of 1989—there has been a constant decrease, in general, of crime. It is also true that all manner of measures have been taken to achieve a more effective confrontation against this type of conduct. We think that... [changes thought] In November we arrived at the following conclusion; there was a policy of action, but really, the people ignored what we were doing. One of the aspects that was studied and decided upon was that our people had to know what we were doing to fight derelict conduct. Ever since we put into effect the legal codes and the massive jailing of criminals with complete retroactivity of the code, we achieved the lowest level of prisoners the revolutionary process has ever had during its 30 years of existence.

Today, the situation is not the same. We have increased the number of prisoners to a few thousand. These people are in the nation's jails as a result of their conduct and criminal actions. So you see, the answer has always been there. All of these factors, along with a rigorous administration that is careful and attentive to the well being of the state, create the mechanisms that stop the averting of funds or whatever. We have the conditions to, in a few short years, fully transform our society's image. I hope that when we hold the Eighth Congress in August 1990, we will be able to show the thousands of delegates who will be coming from all over the world a situation which is even better. These delegates will be here to observe this legal laboratory which is drawing their attention so much and which so many people in the world want to see but do not dare to see because of the political implications. Now the United Nations is going to give us a hand by calling for this congress. We are working on an elaborate and ambitious work program for the Eighth United Nations Congress to present a number of ideas and concepts we have in relation to this. Then we will be able to show the world the reality of our country.

I am convinced that today, we have nothing to be ashamed of. Tomorrow, we will have many reasons to feel proud of ourselves.

[Bussi] Thank you very much, Mr Minister. Regrettably, time for our program is short and we cannot continue asking you the questions our people would like to hear.

Nevertheless, we think you have been most kind in giving us this chance on "Exclusivo" Program. Would you like to say anything else?

[Escalona] I want to say hello to the news program which is modern, dynamic, and agile. It has made an advance in our news media because of its agility. I want to wish you success. Thank you very much.

[Bussi] Thank you, Mr Minister. Well, that is all Daniel and thank you. Good night, Cuba.

Exercise To Deal With Natural Disasters Planned
FL0206155689 Havana Radio Reloj Network
in Spanish 1402 GMT 2 Jun 89

[Text] The leadership posts of the various levels of the Defense Councils that organize guidelines, economic objectives, and commands of the FAR [Revolutionary Armed Forces] and MININT [Ministry of the Interior] are virtually ready to carry out the "Meteor 89" civil defense exercise. This will be done next Saturday.

The exercise will be conducted in all the provinces and in some of the municipalities of the nation. It will begin at 0700 and prove the effectiveness of the plans established to face natural disasters, as well as other disasters.

On Saturday, the schedule lists practical activities that will include the participation of the people and workers. Some of the exercises included will deal with: evacuation of flooded lowlands, fallen buildings, threats of broken dams, and possible tidal waves.

All parts will study the readiness and fulfillment of the assigned tasks, as well as analyzing the effectiveness of cooperation with the FAR and MININT.

Pinar del Rio Marks MININT Anniversary
FL0606132989 Havana Television Service in Spanish
0000 GMT 6 Jun 89

[Text] The organs of the Interior Ministry are marking their 28th anniversary by reaffirming that they will be the Revolution's strong shield and insurmountable bulwark that the enemy will never be able to cross.

A ceremony was held in Pinar del Rio to mark this date. The event was presided over by Fidel Ramos Perera, member of the Central Committee of the Communist Party of Cuba [PCC] and first secretary of the PCC in Pinar del Rio Province. A group of officials and combatants were promoted during the ceremony.

Internationalist combatant Marta Diaz Hernandez received a diploma signed by Vilma Espin, member of the PCC Politburo and president of the Federation of Cuban Women.

The Union of Young Communists presented Interior Ministry leaders with a battalion comprised of militant youths who demonstrated their skills during the ceremony. Interior Ministry members were also recognized during the ceremony for their combative readiness, consolidation of ideological work, and struggle against crime. These factors shows that the Interior Ministry members prepare themselves more each day, according to their new work demands.

Cienfuegos Severely Affected by June 1988 Rain
FL0106132689 Havana Tele-Rebelde Network
in Spanish 1100 GMT 1 Jun 89

[Text] Exactly a year ago, the intense rains that came in the month of June took us by surprise. An unusual weather phenomenon affected the central part of the country: Ciego de Avila and Camaguey Provinces, as well as others to a lesser degree.

This situation became catastrophic in some areas, such as Cienfuegos where, in a single day, over 600 mm of rain fell. The rains caused considerable damage to the electrical and telephone installations, the road network, and agricultural sector. Over 400 houses were completely destroyed and 15 people died as a result of this cataclysm.

After the first measures to avoid major damages, other measures were taken to counteract the damage done in every sector. Among these measures were the building of new houses for the almost 1,000 people who lost their homes to the floods. After a year, the people who were affected have received over 200 new homes and will soon have another 300 turned over to them during the course of this month.

The situation caused by the intense rains, in the case of housing, showed the minibrigades' effectiveness and efficiency to solve social problems. Of the personnel working on the housing situation, 95 percent of them are social minibrigade members and almost all of them were affected by the rains.

If it were not for the minibrigades, Cienfuegos Province would not have been able to have such an ambitious construction plan, a plan to build over 500 houses for the people affected by the intense rains of June 1988.

Man Arrested for Illegal Rum Manufacturing
FL0206181189 Havana Tele-Rebelde Network
in Spanish 1700 GMT 2 Jun 89

[Text] Agents of the National Department of Economic Crime Prevention found and dismantled an illegal rum factory in the house of Francisco Martinez Alonso. Martinez lived in house No 29632, 191st Street in El Chico neighborhood, Boyeros Municipality.

The search carried out by members of the National Revolutionary Police [PNR] allowed the authorities to uncover, in the house of the accused, 15 plastic tanks used for the fermenting of alcohol. Of these 15 tanks, 6 of them already had processed rum. Also found were [words indistinct] gallons of 90 percent alcohol, hundreds of plastic tops, corks, bottles, abundant charcoal, and other [words indistinct] destined for the illegal production of rum.

In the same manner, the authorities of public order discovered large quantities of heels used in the manufacturing of women's shoes, shoes that were unfinished—cut, but not sewn together [semi-elaborados y cortados]—soles, and other articles used in this industry. The accused acquired all of these articles by illegal means and is not authorized to engage in these businesses.

After being taken to the Eighth Unit of the PNR, the citizen took responsibility for these actions. The police is continuing its investigation in this case.

Haiti

Avril Discusses Army, Elections in Interview

FL0106193489 Port-au-Prince Radio Nationale
in Creole 1300 GMT 31 May 89

[Text] The president of the Haitian military government granted AFP an interview yesterday. He said that 2 months after the failed coup in early April, he was in a situation that was not at all easy.

During his interview with AFP, President Avril acknowledged that the crisis in the Army, the dissatisfaction within the ranks of the Armed Forces, continues to threaten the stability of his government. He reiterated his desire to organize free elections.

We managed to reestablish relative stability, and what remains of the Army can work to restructure the Army. However, we cannot speak of a definitive stability nor of the loyalty of the Army, General Avril said.

The president said: Imagine certain soldiers who used to live at the Leopards camp, where they used to have everything. Now they have to live in a number of places where there is nothing at all: no toilets, no mess halls, no dormitories, no decent beds. These soldiers are not happy. I cannot say that I feel stable, Gen Avril said.

However, he said authority has been firmed up a little since the failed coup.

I would have thought that those who are, like us, interested in establishing democracy in this country would have given us a hand, as happens when there is a hurricane somewhere, Avril said. However, that is not what happened, he noted, referring to the countries of the West. Avril stressed that such aid is more necessary than ever, principally to improve the lot of the soldiers.

Gen Avril, whom certain observers had claimed was dejected and extremely cautious 2 months after the coup d'etat—during which he was held prisoner for 2 hours and during which his family was taken hostage—appeared relaxed and even cracked a few jokes at the National Palace, where the gates were wide open. There were a few soldiers on sentry duty. Other soldiers chatted under the bougainvillea. There is a (?nice) atmosphere at the palace, AFP says.

AFP adds that Gen Avril said he wants to restructure the Army so as to place it at the service of democracy. The nation's military forces must be deployed and given the job of aiding the population in diverse domains, in addition to their job of defending the nation's physical integrity and maintaining security, Gen Avril explained. He felt that the restructuring of the Army and a return to a climate of security are necessary in order for elections to be organized properly.

Gen Avril was not willing to talk about election dates, saying that he wished to respect the independence of the Permanent Electoral Council, which is made up of nine members representing the nation's principal institutions and which is responsible for organizing these elections. He did say, however, that these elections should be held in stages, and from the bottom up—that is, beginning with local elections and culminating in presidential elections, contrary to what certain political parties think. Certain parties would like the presidential elections to be held first.

I am working to establish the (?best) possible conditions so that these elections can be organized, Gen Avril affirmed. The political class too should work so that it will be in a position to participate and reach the Haitian people, so that the majority can participate in the elections, he added.

Gen Avril rejected the idea of forming a coalition government to organize elections as is being demanded by certain political parties. He said that a collegial government, with ministers representing the different parties, would be pulled in all directions while having to defend itself from the charge of governing autocratically.

Avril also talked about the nation's disastrous economic situation. The nation's meager resources have been exhausted. We cannot even manage to produce enough rice to feed the population. International aid has been cut off as well, Avril said, who did not rule out the possibility of social upheaval. If no foreign aid comes, I don't see how we can (?take) the Haitian society in hand so as to organize proper, valid, elections, the chief of state added.

I am deriving no pleasure whatsoever from being where I am at present. When I leave the government, I would like Haiti to remember that I held my ground steadfastly in order to realize my mission, which is to establish an irreversible democracy, Avril said.

Admits Discontent in Country

*FL0106201689 Port-au-Prince Radio Soleil Network
in Creole 1100 GMT 31 May 89*

[Excerpts] In an interview with AFP, General Prosper Avril, the president of the Haitian military government, admitted that discontent within the Army continues to be a threat to his government. Also, the general reiterated his desire to organize free elections in Haiti. [passage omitted] The general added that he did not see how he could hold valid elections without foreign countries' providing any aid to Haiti. [passage omitted] The general would like the Haitian people to remember him, when he leaves power, as having worked steadfastly and having struggled to establish a true democracy in Haiti and as having done everything he could.

We must remind listeners that in its "Letter From Haiti" No 6, *Serges Gilles' Panpra* [Nationalistic and Progressive Revolutionary Party of Haiti], which a few months ago publicly expressed its empathy with the military government, has just called the attention of all sectors in Haiti to a tendency on the part of Gen Avril to strengthen his personal power. Among the signs it gave as examples, Panpra pointed out the recruiting going on in the Army—something the general can use to form a guard exclusively at his service.

We must also point out that when the Ministry of Information announced the government decree authorizing the formation of private security companies, there was another document circulating in Port-au-Prince that set forth conditions for recruiting members for a particular security company. According to the document that was circulating, this security company was for the head of the military government.

Also, a few days earlier, while Gen Avril was presenting the contract for the Darbonne sugar mill to the sugarcane planters cooperative of the Leogane, Grand Goave, and Petit Goave plains, people could not fail to notice that there were many civilians circulating in Leogane armed with weapons of all calibers.

Soleil Cites AFP on Avril

*FL0306170789 Port-au-Prince Radio Soleil Network
in Creole 1100 GMT 2 Jun 89*

[Excerpts] According to AFP, a new coup or a new upheaval in the Army cannot be ruled out. This is still a possibility in Haiti, where the president of the current government, General Prosper Avril, can count only on a bit of loyalty from the Presidential Guard to hold on to power. According to AFP, this is what political circles in Port-au-Prince stress and point out 2 months after the coup attempt last 2 April.

The soldiers' living conditions in the provinces, which are not too good; the lack of a supportive structure; a relaxing of discipline; and the loss of a number of traditional sources of illicit enrichment—these are all

things that have lost. This could lead the troops—the soldiers and sergeants—to attempt another movement, which could result in a violent, arbitrary, Tonton Macoute regime.

According to AFP, Louis Dejoie, head of the National Agricultural and Industrial Party [PAIN], said in an interview to AFP, after congratulating himself for the cleanup that has begun within the Army, that Gen Avril remained in power thanks only to the Presidential Guard and to the detente in the palace courtyard.

For his part, Rene Theodore, secretary general of the Unified Party of Haitian Communists, says that Gen Avril is isolated within the Army. Theodore adds that if Avril is governing, all he is governing is the National Palace and its environs, and that meanwhile, everyone is expecting a new coup d'etat.

Serges Gilles, the secretary general of the Nationalistic and Progressive Revolutionary Party of Haiti, says that without a popular base, things are difficult for Gen Avril. Gilles adds that it is going to become increasingly difficult for Avril to control the division within the Army and the attempts at rebellion and coups.

The 1,100-man Presidential Guard, which reportedly saved Gen Avril and which today appears to be a privileged corps, could represent a threat to Avril, diplomats in Haiti confided to AFP. This Presidential Guard feels proud of itself and powerful. It is aware of the role it played. It thinks Gen Avril owes it everything, the diplomats stressed to AFP, and it seems there are diverse currents circulating even within this Presidential Guard. A part of this corps is allegedly against the organizing of any elections in Haiti, elections which Gen Avril is talking about constantly. The corps is allegedly also demanding of Gen Avril many guarantees for its future. [passage omitted]

Finally, Mr Marc Bazin, president of the Movement for the Establishment of Democracy in Haiti, MIDH, feels that only when political life returns to normal in Haiti—when Haiti has real, proper institutions which are respected—will the Army be able to recover.

MDN Reacts to Leader's Comments

*FL0306172089 Port-au-Prince Radio Nationale
in Creole 1300 GMT 2 Jun 89*

[Excerpts] Political leaders have been commenting following statements made by Lieutenant General Avril, president of the military government, to AFP on the political situation in Haiti.

For its part, the MDN, Mobilization for National Development, says there are six points that deserve to be addressed. First of all, MDN says that Gen Avril is aware that the stability of the military government is threatened, but he thinks he can consolidate his authority and restructure the Army. MDN says it doesn't see how such

a restructuring is going to be effected, and that this remains its big concern, which it expressed in an open letter it wrote the chief of state on 16 May 1989. [passage omitted]

Further on in its press release, MDN says that Gen Avril is talking just like Jean-Claude Duvalier and Henri Namphy when he speaks of his mission to install an irreversible democracy in Haiti. The MDN says the only difference between the general and his predecessors is that General Avril is hanging in there staunchly.

The MDN says that Gen Avril rejects the idea of a coalition government to organize elections. Recent experiences and the big breakups of political alliances noted during the past 3 years show how fragile such solutions are. Only the free expression of the choice of the majority can legitimize a representative government, restore the nation's trust as well as the trust of other countries, and put the nation back on the right track, the MDN says. The MDN does not discard the idea of a program of government based on a consensus regarding certain societal projects.

Further on in its press release, the MDN says that the general does not discard the possibility of social upheaval. Anyone can see that the spirit of 7 February 1986 is blocked. Certain (?lines and) forces of change have been confiscated and neutralized. However, others are resisting and are throwing out a challenge to the system that wishes to remain in place.

The MDN says that the total paralysis of public transportation on 31 May announces a new turning point in the crisis. [passage omitted]

According to the MDN, in view of the possibility of social upheaval, the entire nation should prepare itself. [passage omitted]

Further on Reaction

*FL0306172989 Port-au-Prince Radio Soleil Network
in Creole 1100 GMT 2 Jun 89*

[Excerpt] The MDN comments on the interview General Prosper Avril granted AFP on 29 May. Regarding the money the general is asking for to hold elections in Haiti, Mr Hubert de Ronceray wonders if the matter of organizing elections (?entails) only monetary help from foreign countries. The MDN leader sees a beggar-like aspect in this regard. Everything is unfolding as if the national effort doesn't count, doesn't mean a thing anymore—as if democracy in Haiti depends on foreign countries. De Ronceray feels that foreign aid has its place. However, first there must be a political will and a sense of organization in a country whose authorities have self-respect.

The MDN leader also says that the general spoke of the autonomy of the CEP [Provisional/Permanent Electoral Council] so that he wouldn't have to say how much longer it will be before elections are held in Haiti.

According to Article 136 of the Constitution, it is the chief of state who is responsible for the regular functioning of the public powers and the continuity of the government. Thus, things should be done through (?agreement) in a country seeking the path of democracy. [passage omitted]

PUCH Leader on Avril Government, Elections

*FL0206182589 Port-au-Prince Radio Metropole
in French 1600 GMT 31 May 89*

[Text] Rene Theodore of the Unified Party of Haitian Communists [PUCH] feels the government is in a bad situation. The PUCH leader feels that General Avril's personal government does not inspire trust and cannot guarantee a credible democratic transition. Theodore remains convinced that only the formation of a government of national coalition on the basis of a program can get Haiti out of its current crisis.

[Begin Theodore recording, in progress, in Creole] ...feel that the country is dragging along. There is still a personal, autocratic government, unfortunately. We feel it is never too late; nevertheless, we are still wasting time. What could set us on our way toward a solution to the political, institutional, social, and economic crisis that is wrecking Haiti is a coalition of political forces able to arrive at a formula for a government of coalition on the basis of a program that could effectively tackle the nation's major problems. [end recording]

The communist leader also says that organizing elections should be set aside for the time being. The difficult set of circumstances the nation is at present confronting is not favorable to the holding of elections, Rene Theodore said.

[Begin Theodore recording, in Creole] As far as we are concerned, organizing elections is not on the agenda, because there are too many problems requiring an urgent solution. Yes, there must be elections in Haiti. However, we must arrive at a government that the people truly trust and which can effectively get the nation moving enthusiastically toward finding a solution to the institutional problems that elections must solve. [end recording]

We remind listeners that in an interview granted AFP, Gen Prosper Avril, head of the military government, discards the idea of a government of national coalition to ensure the transition toward democracy.

Reportage on Nationwide Transportation Strike

Union Threatens Stoppage

*FL0106195289 Port-au-Prince Radio Soleil Network
in Creole 1100 GMT 1 Jun 89*

[Excerpts] The public transportation strike that was launched at the call of the metropolitan area public transportation workers union yesterday paralyzed all spheres of activity in Port-au-Prince. The strike also paralyzed public transportation activities in diverse provincial towns.

The leaders of the metropolitan area public transportation workers union have announced further measures that may be taken next week if the government does not satisfy the demands made. The government has not yet made any kind of statement. [passage omitted]

This 1-day transportation strike came and added to the discontent among the population, among the society, over the rise in the cost of living and the climate of insecurity that has spread throughout Haiti. Analysts say this transformed the strike—which was a strike in a specific sector, the transportation sector—into a veritable general strike. Schools, stores, and most of the banks were closed. Civil servants and government employees were absent from work. The public marketplaces operated at a slowdown. There were not many people at all. [passage omitted]

In addition to the big stores, the assembly industry was also greatly affected by this strike. Most factories had approximately 36 percent attendance, according to managers of factories in the industrial park. [passage omitted]

The strike was adhered to in Les Cayes. However, the strike watchword was not much adhered to in Haiti's second largest city, Cap-Haitien. People didn't adhere to the strike in Hinche or Jeremie either. However, the vehicles from Jeremie that habitually travel to Port-au-Prince did not travel yesterday. A slowdown in public transportation activities was also noted in Gonaives.

The drivers union for the Port-au-Prince area is also envisioning launching a strike of unlimited duration as of next Monday if the government does not satisfy their demands. (Jean-Claude Pierre-Louis), who is the secretary general of the drivers union of the Port-au-Prince area, is counting on the support of the other transport sector unions. He also asks for what he calls the collaboration of the population for the success of this movement, which the union wants to realize peaceably.

[Begin (Pierre-Louis) recording] [Passage omitted] We are giving the authorities 3 full days—from tomorrow, Thursday, to Saturday—to give us answers. If our demands are not satisfied, we will use another tactic during the week beginning next Monday. That is why we are asking everyone living in Haiti, all merchants, all mothers, to buy food and stock it at home. Begin stocking up. We also ask the drivers who are going to begin work tomorrow to make a little money during the next 4 days and stock up on supplies at home, because we are going to flex our muscles and strike next week, as of Monday, if we don't obtain a response regarding the two things we asked for.

The force we have is a serene one. We don't need weapons. We are not going to commit any unscrupulous acts. Our force is the force of solidarity, because it is together—all together—that we must change things. [end recording]

Our provincial correspondents have reported that the public transportation strike was a partial success in Jacmel in southeastern Haiti and was fully adhered to in Petit Goave, Leogane, Miragoane, Cabaret, and Arcahaie. [passage omitted]

CATH Calls for Preparations

FL0306174789 Port-au-Prince Radio Nationale
in Creole 1300 GMT 2 Jun 89

[Text] A group of traffic policemen yesterday evening came to our studios to express their solidarity with Major Isidor Pongnon, the head of the traffic department, over National Haitian Television. The policemen said that there were traffic laws in every country in the world and that all countries took sanctions against undisciplined drivers.

Meanwhile, CATH, the Autonomous Organization of Haitian Workers, has issued a press release in which it asks that Major Pongnon be transferred out of the traffic department.

CATH said that after the day before yesterday's general strike, which was adhered to in the country's nine geographical departments, it seems the police are trying to use a different kind of weapon on the drivers: revenge. CATH claims there were many arrests made and traffic violations issued all over Port-au-Prince yesterday, from 0600 to 2200—particularly on the Delmas and Carrefour roads.

CATH blames the head of the traffic department, who made certain statements CATH feels were not proper over National Haitian Television.

Further on in its press release, CATH says it is awaiting the the military government's answer on the matter of rescinding the recent increase in the price of gasoline and on the transfer of the former commander of Fort Dimanche.

CATH asks all drivers, workers, and patriots to remain mobilized and to stock up at home in preparation for a long strike next week.

CATH feels that Haiti should not be the only country in the Americas in which articles of prime necessity such as iron, cement, and tin sheeting are very expensive.

This press release is signed by Joseph Manusi Pierre and Armand Pierre.

For its part, the Central Organization of Haitian Transport Workers Unions [CSTH] declares that the drivers unions have achieved the unity being sought in the drivers sector that was lost after 6 November 1986, when [driver] Jules Louis was killed in Verrettes. The CSTH and the Petion-Ville Drivers Union [CSPV] complimented drivers throughout Haiti, telling them to hold on to their prestige and organize themselves into unions for

proper support. This is the only way to make certain people stop saying they are not the drivers' buddy [reference to alleged statements by traffic department head Isidor Pongnon].

The Csth and the CSPV ask the president of the military government and the Armed Forces General Headquarters to analyze the juncture and satisfy the drivers' demands—which are that the price of gasoline be lowered because they cannot pay the current price—and that Major Isidor Pongnon be transferred out of the traffic department because he does not recognize the drivers unions, etc.

For all these reasons, Pongnon cannot head the traffic department, which is in direct contact with the drivers, say the Csth and the CSPV.

Drivers Unions Call 2-Day Strike

FL0606173489 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 6 Jun 89

[Excerpt] Four drivers unions—the Metropolitan Area Public Transport Drivers Union, the Petion-Ville Drivers Union, the Arcahaie and Cabaret Drivers Union, and the Central Organization of Haitian Transport Workers Unions—have called for a 2-day strike for Wednesday and Thursday, 7-8 June. The drivers unions say the government has failed to respond to the 31 May warning strike, saying not one word about the demands they have made: that the government lower the price of gasoline and transfer traffic department head Major Isidor Pongnon away from the traffic department.

The unions say that Maj Pongnon is making increasingly arrogant statements.

They also inform Education Minister Remy Zamor, who said these were political matters being settled, that they themselves are not after a job, that they are awaiting an answer from the government on the two demands they made. [passage omitted]

National Radio, Television Agencies Created

FL0106162189 Port-au-Prince L'UNION in French No 148, 27 May 89 p 1

[Text] The Directorate of Information of the Ministry of Information and Coordination announces that two Haitian Government decrees have been promulgated in No 39-A of the official gazette LE MONITEUR issued on Monday, 22 May 1989. By means of these two decrees, the decree of 28 January 1987, which merged Haiti's national radio station and its national television station into a single agency, is rescinded.

Under the terms of these decrees, the following two agencies are created:

1. National Haitian Television [Television Nationale d'Haiti], with the acronym TNH.

2. National Haitian Radio [Radio Nationale d'Haiti], with the acronym RNH.

These two agencies, National Haitian Television (TNH) and National Haitian Radio (RNH), have legal status and fall under the Ministry of Information and Coordination.

[Dated] Port-au-Prince, 26 May 1989

[Signed] Directorate of Information

New Personnel Installed

FL0206175189 Port-au-Prince Radio Nationale in Creole 1300 GMT 31 May 89

[Excerpts] Some 4 days after the promulgation of the Haitian Government decree making of the national television station and the national radio station two autonomous institutions that fall under the Ministry of Information and Coordination, Information Minister Mrs Rosemarie Nazon yesterday morning installed Mr Pierre Raymond Dumas as general director of Haitian National Radio. [passage omitted] Mrs Nazon said the merger between the national radio and national television station had not been good for the national radio. [passage omitted]

The new general director of Haiti's national radio will have with him, in the newsroom, Mr Pierre Manigat, the former assistant director of information of the Ministry of Information and Coordination.

The information minister also installed Mrs Jacqueline Andre as general director of National Haitian Television. Mrs Andre will have with her, in the newsroom, Mr Adler Auguste, who replaces Mrs Anaise Chavenet.

Minister Nazon also installed Mr Henri Piquion as general director of the government newspaper L'UNION, and Jean Coulanges and Edgard Jean as directors of the National Theater and the National Haitian Presses.

Panpra Members Attend Conference in Jamaica

FL0206180589 Port-au-Prince Radio Metropole in French 1600 GMT 31 May 89

[Excerpt] [Passage omitted] Panpra [Nationalistic and Progressive Revolutionary Party of Haiti] has been invited to participate in the regional conference of the Socialist International. The conference is currently being held in Kingston, Jamaica 29-31 May under the patronage of Jamaican Prime Minister Michael Manley.

A Panpra delegation made up of Serges Gilles and Arnold Antonin left Port-au-Prince last Sunday to participate in this conference. The purpose of this conference is to prepare the general conference of the Socialist International, which is to be held in Stockholm, Sweden, in June this year.

Konakom Attends Socialist International Meeting
FL0606005589 Port-au-Prince Radio Nationale
in Creole 1300 GMT 5 Jun 89

[Text] Konakom [National Committee of the Congress of Democratic Movements] has participated in the meeting of the committee of the Socialist International for Latin America and the Caribbean. It was specially invited. We remind listeners that this meeting was held in Kingston, Jamaica, on Tuesday, May 30 and Wednesday 31 May 1989. Konakom was represented at this meeting by Mr Jean-Bajeux Claude Bajeux, a member of Konakom's national secretariat.

After an analysis of the problems particular to each country in the region, the Socialist International took a special look at two current problems: the political crisis in Panama and the foreign debt of the underdeveloped countries.

In connection with the foreign debt, Jamaican Prime Minister Michael Manley in his opening speech proposed that an organization that could be given the task of managing the foreign debt of the countries of the Third World and that would take into account the real possibilities for payment of the debtor countries be created on an international level. Prime Minister Manley affirmed his desire to promote a policy of close relations (?among) the Caricom [Caribbean Common Market] countries and the rest of the Caribbean.

Also, the assembly passed a resolution supporting the Haitian people's struggle for democracy in which it asks the government of General Prosper Avril to take a number of important measures to put an end to insecurity in Haiti, and to accelerate preparations for the transfer of power to an elected government within a reasonable length of time.

This press release is from Konakom and is signed by Victor Benoit, secretary general.

Committee for National Coalition Calls for Forum
FL0506195889 Port-au-Prince Radio Nationale
in Creole 1300 GMT 2 Jun 89

[Text] Jean-Marie Baudouin and Briere Labonte, coordinator and deputy coordinator, respectively, of the Coordinating Committee for a National Coalition [Komite de Koordinasyon Koalisyon Nasyonal], give their opinion on the crisis the nation has been confronting for the past 3 years. They feel that only unity among the nation's political and democratic sectors can make Haiti progress. They also suggest that a democratic and popular forum should be organized in which all leaders and political associations could reach a national consensus with a view to satisfying the peoples' demands.

[Begin Baudouin recording] Haiti has been in crisis for 3 years already. All the formulas that have been tried over these past 3 years aimed at getting the country out of the

economic stagnation and difficulties it is going through today have not worked. There is still division among all the forces at work on the terrain. We think that all forces need to get together now and participate in a really democratic and popular forum where they can together come up with a program reflecting the popular and national demands. In this way, we could set new structures in place. This would also permit the population to obtain jobs, education, and health care. Then, we can continue working to arrive at elections.

By saying this, it is not that we are against elections in Haiti. We would like to see real elections, elections that are really democratic and honest. However, we think that some preliminary work needs to be done considering the crisis the Haitian people are currently going through. That is, some of the popular demands should be satisfied before elections are held.

In this way, we would have some economic independence, a certain political and social independence. We (?would) then have a CEP or KEP [Provisional/Permanent Electoral Council, French and Creole acronyms] that could really be controlled. The people will really be able to choose when we finally go to elections.

We think today that this is what should be discussed first.

All leaders of parties and associations should get together and form a big national consensus (?based) on a minimal program that channels the popular demands. We say clearly that if this were done, we could really walk along the path of progress in Haiti. [end recording]

That was Mr Jean-Marie Baudouin expressing his opinion over National Haitian Radio as to how Haiti could get out of its current crisis.

Dissension Within Democratic Bloc Noted
FL0206183389 Port-au-Prince Radio Soleil Network
in Creole 1100 GMT 31 May 89

[Excerpts] Is there division among the members of the Democratic Bloc? [passage omitted] A press release dated 29 May written by five party leaders in the name of the Democratic Bloc was not approved by several leaders of other big political groups in the Democratic Bloc, who described as extremist the position expressed by the people on Sylvan Jolibois' side.

For their part, in the joint statement they issued on 29 May, Sylvan Jolibois, Franck Senat, Jean Guzman, and the others stressed that the leaders and organizations that agreed to participate in elections under General Avril's military government have betrayed the Democratic Bloc's official political line. Thus, they put such people out of the Bloc.

It seems this is being perceived as a declaration of war coming from certain party leaders who have decided to change their policies, or have decided to participate in elections—especially since the Jolibois clan remains firmly entrenched in its position, while continuing to demand that Gen Avril leave the government. [passage omitted]

Order of Lawyers Protests Member's Murder
*FL0206200489 Port-au-Prince Radio Soleil Network
in Creole 1100 GMT 2 Jun 89*

[Text] The council of the Order of Lawyers of the Port-au-Prince bar protests the murder of one of its members. It also asks that all hearings at the law courts be suspended for 2 days.

This measure, which went into effect yesterday morning, was taken following the murder of a member of the Port-au-Prince bar, Mr Valand Sinadie.

The Order of Lawyers of the Port-au-Prince bar clearly denounces the insecurity prevailing in Haiti, which is out to destroy the practice of law and the lawyer's profession in Haiti. The Order protests the violence and brutality employed daily against citizens in Haiti, to say nothing of the death threats and other acts of brutality against the defenders of the public and the way the people committing these acts are operating without encountering any obstacles.

The Order of Lawyers also discussed the many acts of brutality occurring right and left with a view to eliminating all law practices in Haiti. The council gives as an example the case of the disappearance and carrying away of several dossiers following a raid on the private residence of Judge Maurice Masante in the Delmas area in late March, as well as the outright aggression against lawyer Georges Elie on 11 May as he left the Labor Court.

The council of the Order asks all members of the bar to unite and redouble vigilance, so that together they can counter the plot aimed at doing away totally with all defenders of the public and so that they can make law and justice triumph in Haiti.

AEN 'Dissidents' Form Group in Cap-Haitien
*FL0206194589 Port-au-Prince Radio Metropole
in French 1600 GMT 1 Jun 89*

[Report by Cap-Haitien correspondent Jimmy Prophete—live or recorded]

[Excerpts] There has been a split in the student movement in Cap-Haitien, with the emergence of a new student group called Solidarity Among Cap-Haitien Students [Tet Kole Elev Okap]. This association, formed on 4 February 1989 by what one might call the dissidents

from the AEN, which is the Association of Students of Northern Haiti, is a collection of diverse associations from different schools in Cap-Haitien. Its objectives are, among others:

- A. To defend the rights and interests of students;
- B. To conquer a democratic space within the schools;
- C. To actively contribute to the nation's liberation struggle.

How did this decision among militant schoolchildren come about? One of this new group's leaders, student Sergilus Docteur, answers this question.

[Begin recording, in progress] [Docteur] ...and after an entire series of analyses, particularly during the month of February, we felt the AEN people had made many mistakes. [passage omitted] We, the aware students, had taken to the streets back then. [passage omitted]

[Unidentified reporter] Are you to the right or to the left of the AEN?

[Docteur] I'm not sure I understand.

[Reporter] Well, for example, are you more moderate or more radical than they? [passage omitted]

[Docteur] [Passage omitted] We did not come on the scene with a view to dividing the students. This would not be good. It would not help solve the problems that exist. [passage omitted] However, there are practical differences between us. The way we think of solving the problems is different, very very different, from their way. [passage omitted] [end recording]

It is, for the time being, difficult to give an approximate number of students or associations that have joined Solidarity. The three-member leadership committee, despite the fact that it wishes to preserve the singularity of the movement, does not rule out the possibility of joint action with AEN if need be.

This is Jimmy Prophete, Cap-Haitien, Radio Metropole.

Appointments in Justice Department Announced
*FL0206183789 Port-au-Prince Radio Nationale
in Creole 1300 GMT 1 Jun 89*

[Text] The following people have been appointed, by presidential commission, to the following positions in the Justice Department:

Mr Lucien D. Dagobert has been appointed examining magistrate at the civil court of Gonaives.
Mr Rockefeller Vincent has been appointed judge at the civil court of Fort Liberte.
Mr Antoine H. Jean-Baptiste has been appointed resident notary for Hinche.

Mr Tholan Noisette has been appointed resident notary for Savannette.

Forbin Lherisson has been appointed resident surveyor for Delmas.

Phito Chery has been appointed resident surveyor for Kenscoff.

Joseph Deslaurieux has been appointed resident surveyor for Mombin Crochu.

Mr Osnel Flerismond has been appointed resident surveyor for Les Cayes.

Joseph Gabriel O. Beaubrun has been appointed resident surveyor for La Chapelle.

Also, within the Ministry for Public Administration and Civil Service, Mr Nelathon Hyppolite has been appointed director for organization and methods; Mr Louis Rene Balathier has been appointed administrative director; and Raoul Baptiste has been appointed director of the civil service.

New Communal Committee Appointments Announced

FL0306175489 Port-au-Prince Radio Nationale
in Creole 1300 GMT 2 Jun 89

[Text] The military government issued two decrees on 31 May 1989 in which it appointed two communal committees to manage the interests of the communes of Port-au-Prince and Petion-Ville.

By the terms of these decrees, Mrs (Camille D. Sylaire), a former presidential candidate in the 29 November elections, has been appointed president of the communal committee for Port-au-Prince, with Mr Roger Courtois and Mr Fred Jean-Baptiste appointed members.

Mrs Gertha Fils-Aime has been appointed president of the communal committee for Petion-Ville, with Mr Patrice Preval and Mr Georges Elie appointed members.

CATH Protests Appointment

FL0606010589 Port-au-Prince Radio Nationale
in Creole 1300 GMT 5 Jun 89

[Excerpts] The Directorate of Information of the Ministry of Information and Coordination announces that a government decree dated 2 June 1989 creates a permanent committee in charge of (?studying and) ruling on the causes of increases in the price of articles of prime necessity, and in charge of proposing solutions to this problem.

The committee is made up of Economy and Finance Ministry representative Auguste Paquiot; Commerce and Industry Ministry representatives Alfred Auguste and Frantz Pillard; Social Affairs Ministry representative Volmy Desrameaux; National Association of Distributors of Petroleum Products representative Maurice Lafortune; Haitian Chamber of Commerce and Industry representative Franck Dessources; and union representatives Gabriel Miracle and Dacius Lisius.

The members of this committee are appointed to 1-year terms and will not be paid. [passage omitted]

Regarding the choice of Gabriel Miracle to be a member of this committee, we have here a press release from the CATH, Autonomous Organization of Haitian Workers, whose headquarters is on Rue des Miracles. [passage omitted]

CATH says: CATH is not a governmental organization. CATH considers this appointment meddling in its, CATH's, affairs. This constitutes a diversionary tactic.

CATH, which has been struggling for a long time (?on behalf of) the working and peasant classes and the Haitian masses, thinks that the government, which is not doing any serious work in Haiti, has no right whatsoever to involve it, CATH, in crooked wheeling and dealing. CATH is not at all happy with the government's decision to include Gabriel Miracle in this committee formed to struggle against the high cost of living in Haiti. [passage omitted]

The CATH press release is signed by CATH information secretary Joseph Manusi Pierre and administrator and treasurer Armand Pierre. [passage omitted]

More on Protest of Appointment

FL0606012189 Port-au-Prince Radio Soleil Network
in Creole 1100 GMT 5 Jun 89

[Excerpts] In a press release issued last 2 June, the Haitian Government informs the nation that following an increase in the price of petroleum products on the world market, the Ministries of Economy and Finance and Commerce and Industry have decided to form an ad hoc committee whose role is to study all the repercussions of an increase in the price of petroleum and on the prices of articles of prime necessity. This committee is to make recommendations as to how the cost of living can be brought down. [passage omitted]

This committee is to make its recommendations to the government within 15 days.

This permanent committee is created by a decree dated 2 June 1989. It is to propose strategy to bring down the price of articles of prime necessity and to propose solutions to the high cost of living. [passage omitted]

In reaction to this decision, the leadership of the CATH, Autonomous Organization of Haitian Workers, met Saturday afternoon, after the government appointed CATH secretary Gabriel Miracle to this committee on the high cost of living, to discuss this appointment. After much discussion, the union's leadership decided not to acknowledge the appointment.

In a press release issued Saturday, CATH said it considered the appointment to be government meddling in CATH affairs. CATH thinks the government is not

doing a thing for Haiti. It adds that it is awaiting the government's answer on lowering the cost of gasoline, the transfer of Major Isidor Pongnon, and the matter of insecurity. CATH announces that any contacts an individual member of CATH might make does not automatically involve the union.

For his part, Gabriel Miracle said he had spoken over the phone with the minister of commerce about this committee on the high cost of living. Miracle considered it a good idea, but had not agreed to participate in the committee, despite the minister's proposal.

In his statement, Miracle also said he had had a number of contacts with a number of ministers in the government in connection with their helping him find a job for a friend.

2 Men Surrender in Curacao After Hijacking Fails
FL0106134089 Bonaire Trans World Radio in English 1130 GMT 1 Jun 89

[Text] Two Haitians are in custody after attempting to hijack an ALM jet on a flight from Port-au-Prince to Curacao. The Curacao radio station, ZED 86, reports that the two men told the plane's pilot that a remote control bomb had been placed in the plane's restroom and demanded the plane be flown to New York and then Israel. The pilot, however, continued on to Curacao where the two men surrendered.

About 20 other Haitians on board the flight were questioned by authorities in Curacao.

Reportedly 4 Hijackers on Board
FL0106203889 Port-au-Prince Radio Nationale in Creole 1300 GMT 1 Jun 89

[Text] According to a cable from the Netherlands press agency ANP datelined Willemstad, capital of the Netherlands Antilles, four Haitians—two men and two women—tried to hijack an ALM plane last night. The four Haitians were placed under arrest when the plane arrived in Curacao, according to the Curacao police.

According to ANP, the plane was on a flight from Miami to Curacao and made a stopover in Port-au-Prince. ANP added that the police gave no details of the attempted hijacking.

Hijackers Give Pilot Letter
FL0106204889 Port-au-Prince Radio Metropole in French 1600 GMT 1 Jun 89

[Text] There has been an attempt to hijack an ALM plane flying from Port-au-Prince to Curacao. However, it was an attempted hijacking without weapons.

A Haitian yesterday approached the pilot of the ALM plane that flies between Port-au-Prince and Curacao to ask the pilot to take him to Israel. According to an

employee of Mais Gate Airport's control tower, the hijacker—and let's put that in quotes—was not armed and had merely given the pilot a letter in which he had expressed the desire to go to Israel. Since the pilot did not comply with his request, the plane took off normally and was able to arrive at its destination, Curacao, with no problems.

LE MATIN Investigates Sugar Scandal
FL0506195389 Port-au-Prince LE MATIN in French No 26.739, 2 Jun 89 pp 1, 3

[Quotation marks as published]

[Excerpts] The news during the past week has been dominated by the white sugar affair, in which the Bank of Haiti is reportedly involved, entangled—it is said—in the webs of Mr Lionel Coupet and a foreign company hired as the seller of this sugar.

Since our country's central bank, as well as former minister J. Simeon, were mentioned by JOURNAL DU COMMERCE, and since HAITI-OBSERVATEUR, published in New York, even claimed that three members of the Board of Directors of the BRH [Banque de la Republique d'Haiti]; Governor E. Ricot, General Director Eddy Etienne, and member Ernst Nicolas; made an emergency trip to Santo Domingo to carry out a mission—which HAITI-OBSERVATEUR did not specify—in connection with this scandal, we conducted an investigation to be able to inform those of our readers who are following this matter attentively and are anxious to be informed seriously, objectively, and thoroughly about this matter.

Yesterday, during a meeting with credible and honest people in a good position to provide us with impeccable explanations, we collected the following truths:

"Some 2 months ago, the officials of the BRH department in charge of controlling the government purchasing agency's stock of white sugar pointed out to their superiors that the stock was running low and that they should think of placing an order. Under the law, it is the BRH, the central bank, that is in charge of the commercialization of sugar in Haiti.

Nevertheless, the placing of the necessary order was entrusted by the government to Mr Lionel Coupet, a local businessman, a merchant. However, noting on 20 April that the sugar had as yet not arrived in Haiti, the bank authorities, at the urgent request of bank Governor E. Ricot, who was at that time on a mission to Ottawa, summoned Mr Coupet and obtained from him a letter of desistance, for Mr Coupet had not yet been able to deliver the sugar to the warehouses of the department concerned.

As of this desistance, the central bank was no longer a party to the affair since it was not involved in any sequence of investments or anything else.

Regarding the alleged trip by three members of the BRH to the neighboring Dominican Republic, we learned that at no time had any member of the board of directors traveled to the Dominican capital. The announcement of their trip is a lie carried by HAITI-OBSERVATEUR.

We have learned from another equally honest source that Ernst Nicolas and Vice Governor Felix Gaston traveled first to Montevideo (Uruguay) to represent the bank at a meeting on supervisory and bank taxing techniques. They then went on to Buenos Aires to solve with the Argentine Government a problem connected with the building housing the Haitian Embassy in Argentina which is the property of our central bank. [passage omitted]

We are continuing our investigation in order to find out how this abnormality consisting of entrusting to a private citizen the placement of such a large order for sugar, a \$1.4 million order, came about. We will inform our readers of the results of our investigation.

Hospital Fire Linked to Health Insurance Plan

FL0506202289 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 5 Jun 89

[Excerpts] Four people, a baby among them, lost their lives and several others were hurt in a fire that broke out in the main building of the Hopital Francais [also known as Asile Francais] in Port-au-Prince on Saturday night [3 June]. The fire broke out in the area where the fire extinguishers are kept at around 0300 [4 June]. The yelling and smoke sowed panic in the area where the fire was developing and several people—patients, hospital employees, and relatives and friends spending the night with patients—jumped out of the building's second story in the middle of a blackout caused by a power outage. [passage omitted]

The firemen arrived quickly. Nevertheless, because of lack of means, the fire had time to ravage the hospital's wood and cement principal building built in 1918. [passage indistinct] the maternity ward, the archives, the orthopedics department, one of the operating rooms, which was located in that wing, the X-ray room, and the laboratory. They were able to send most of the patients to three hospitals in the capital: Canape Vert Hospital, Saint Francois de Sales Hospital, and the general hospital.

So far, there is no way to tell what caused the fire. According to Robert Nadal, secretary of the hospital's board of directors, they cannot yet make an estimate of the damages or say what caused the fire. They must await reports from the fire department, the police, the Justice Department, and the insurance companies. However, Mr Nadal said there was nothing at the hospital that could have caused the fire. [passage omitted]

Various medical sources say the fire might be connected with the matter of Croix Blanche [medical insurance group plan for people with meager incomes], which is

based on that very hospital. Croix Blanche is an organization set up by several doctors not long ago in order to help people who do not make a lot of money provide medical care for themselves and their families with little money. Following the fire, the Asile Francais authorities informed the public that only the dispensary can continue to offer its services to the public. [passage omitted]

Several prominent figures—President Avril, Public Health Minister Dr Serge Pinthro, and the French and Swiss ambassadors to Haiti, among them—visited the hospital Sunday to express their condolences. [passage omitted]

The Hopital Francais, which used to be called Asile Francais, was founded in 1878. It is a nonprofit foundation. All the profits it makes are reinvested in community services. It has 180 employees and 56 beds.

Given the possibility of a connection seen by some medical sector people between the fire at the Hopital Francais and the organization known as Croix Blanche, we interviewed one of the people in this movement, Dr Dunois Eric Cantave. Dr Cantave said that if the rumors circulating about the fire are verified, this means Haiti is at the end of its rope. However, he says that nothing has changed, that they will continue the program. Dr Cantave said this kind of program exists in several countries already and that it is a social service. What exactly is Croix Blanche? Dr Cantave answers.

[Begin Cantave recording] It is a prepaid health care program for low-income people. [passage omitted] We have different types of contracts, a contract with the Haitian Army, among them. We were working with the military at the military hospital to improve and restructure the military hospital. Therefore, we have another base of operation. [passage omitted] This might permit us to begin and respect our contract with the Haitian Army because they already have a hospital structure. But it is going to be somewhat more difficult for the private groups we also have. However, we are going to study a contingency plan so as to put the people in other existing hospitals for the time being. Of course, the cost is going to rise. We are going to have to pay a higher price because we did not have contracts with the other hospitals. [end recording] [passage omitted]

Section Chief Blamed for Violence in Artibonite

FL0606004789 Port-au-Prince Radio Nationale in Creole 1300 GMT 5 Jun 89

[Excerpts] Twenty-eight houses were burned down, five people suffered bullet wounds, and four people were arrested last Friday, 2 June, in La Tapi, the first communal section of Grande Saline, in the lower Artibonite. A land conflict was the cause of all this.

According to Mr Jean Noel Alouis, a person from the area who is also the spokesman of a delegation, these acts of banditry were committed by the section chief, Mr Rony Saint-Jean, who had with him many other thugs.

Following these incidents, in which three children have reportedly disappeared, 7,000 families, living since 1935 on 175 carreaux [1 carreau equals 1.29 hectares] of land that are under litigation, have their backs against the wall, so to speak. Thus, the peasants are calling on all the pertinent authorities here in Haiti to quickly conduct an investigation in the area. We will have you listen to statements by Mr Jean Noel Alouis.

[Begin Alouis recording] [Passage omitted] The delegate, accompanied by all the assistants for the section, went into La Tapi. [passage omitted] They went into the neighborhood and began shooting at the peasants, who fled into the rice fields. Five of us were shot and wounded. These five men are now in the hospital in Gonaives. The delegate, after he chased the peasants off, burned down 28 houses in the neighborhood. [passage

omitted] They arrested four men, who are now in jail: Jean Robert Cherilus, Holandier Francois, Yves Fritz Pujol, and Joassaint Nicolas. [passage omitted]

We peasants ask that the president send a delegation to La Tapi, the first communal section of Grande Saline, in the lower Artibonite. [end recording]

Also, a delegation of peasants from that same area—La Tapi, the first communal section of Grande Saline, in the lower Artibonite—tried last Monday, 22 May, to go to Port-au-Prince to alert the authorities in the capital to what is going on at present in the area. However, the forces of order in Saint-Marc prevented them from going to the capital. They set up a series of barricades all along the road, according to Jean Noel Alouis. [passage omitted]

Panama Supporters Occupy Foreign Secretariat
FL0606150489 Mexico City NOTIMEX in Spanish
1403 GMT 6 Jun 89

[Text] Mexico City, 6 Jun (NOTIMEX)—The office of Foreign Secretary Fernando Solana Morales was peacefully occupied by 17 federal deputies and members of the Representatives Assembly of the Popular Socialist Party (PPS). The PPS representatives occupied the Foreign Secretariat to demand that the Mexican Government reconsider its position on Panama at the OAS meeting, which will take place today in Washington.

Javier Barros Valero, deputy secretary responsible for the office, received the group of deputies, which was headed by Marcela Lombardo. He told the deputies that Mexico's foreign policy is based on its traditional principles and he called on them to discontinue their action. The Foreign Secretariat official took note of the document presented by the PPS and promised to give it to Secretary Solana Morales.

Foreign Secretariat spokesmen report that PPS legislators received no opposition in the peaceful takeover of the office.

PRC Foreign Minister Arrives in Mexico City
PA0706035189 Mexico City XHTV Television
in Spanish 0218 GMT 7 Jun 89

[Report by Rocio Gonzalez Trapaga]

[Text] PRC Foreign Minister Qichen Qian arrived in Mexico City from Ecuador today amid strict security measures. At the airport, PRC Embassy and airports and auxiliary services security guards practically trampled the reporters covering Foreign Minister Qichen Qian's arrival. A member of the delegation who accompanied the foreign minister on his visit to Ecuador was used as a decoy to throw the reporters off. Meanwhile, the foreign minister was led down an emergency stairway to a platform where Chunlai Shi, PRC ambassador to Mexico, and eight embassy vehicles awaited him.

Government Reports on Central American Refugees
PA0506220089 Mexico City EXCELSIOR in Spanish
30 May 89 pp A-1, A-26

[Summary] The Mexican Government recently presented a report to the First International Conference on Central American Refugees in Guatemala, citing figures on the presence of Central American refugees in Mexico. According to the report, over 500,000 Central Americans—including refugees, illegal aliens, and temporary immigrants—are currently residing in Mexico. The report indicates that there are 250,000 Central Americans in Mexico City alone. Of this amount, the report adds, 70 percent are Salvadoran, 20 percent are Guatemalan, and the remainder are from Honduras and Nicaragua.

Bank of Mexico Reports Public, Domestic Debt
PA0506194889 Mexico City UNOMASUNO in Spanish
28 May 89 p 12

[Text] The Bank of Mexico has said 57 percent of Mexico's public, domestic debt are short-term contracts that are insufficient to finance the country's production growth. The Mexican public, domestic debt totaled 118 billion pesos on 31 March 1989. Information provided by the Bank of Mexico indicates that in 1988 the increment in payments of real interest has resulted in the transfer of a considerable amount of purchasing power to the private sector.

Andres Blancas, public finances expert of the Institute for Economic Research (IIE) of the Mexican Autonomous University, said the high interest rates and the volatility of the bonds issued by the government turned the public, domestic debt into a speculative, rather than a productive investment.

According to Bank of Mexico figures, 57 percent of the total bonds circulating in the country in 1988 corresponded to Treasury Certificates (CETES), the expiration terms of which range between 7 and 181 days. In the last 15 months, the CETES' average yield rate fluctuated between 157 and 32 percent.

The Federal Government Development Bonds (BONDES) are the second most important bonds in the Mexican bond market. According to the Bank of Mexico report, 27 percent of the Mexican public, domestic debt in bonds is placed in BONDES, which expire after 365 days, reached their highest yield rates of 157.4 percent in January 1988, and reached their lowest yield of 41.71 percent in July 1988. The BONDES had an average yield of 49.43 percent in March 1989.

The rest of the public debt is placed in Federal Treasury Promissory Notes (PAGAFES), Public Debt Bonds, Petrobonds, Banking Indemnification Bonds, Public Institutions Bonds, and Urban Reconstruction Bonds.

According to Blancas' investigation, the timeframe within which the public debt is handled poses a very serious problem, because to pay off debt interests and capital, the government must contract larger debts, which predicts great difficulties in reducing the public sector financial deficit.

Blancas added that the federal government's revenues through the placement of domestic debt in bonds have reached very high levels, although the process has caused high inflationary pressures because of the high interest rates.

The report sent by the Mexican Budget and Planning Secretariat to the Chamber of Deputies at the end of the last quarter of 1988 states the public sector's internal, financial resources totaled 43.911 trillion pesos, a figure that almost doubles the 22.903 trillion pesos in tax revenues paid by Mexican Petroleum.

The Mexican Institute for International Studies of the Foreign Debt (IMEIDE) warned that fresh, foreign resources are necessary if the country wants to reduce its domestic debt.

IMEIDE stated that to back public expenses the Mexican Government has to fall into more domestic debt. That process increases inflation through the issuance of more cash and government bonds and prevents investment in productive areas.

Paris Club Authorizes Debt Payment Postponement
PA0506010889 Mexico City *THE NEWS in English*
31 May 89 p 1

[Report by Daniel Alder]

[Text] The Paris Club agreed Tuesday to postpone the collection of 2.6 billion dollars in principal and interest payments that Mexico was scheduled to pay over the next two-and-three-quarter years, the Finance Secretariat reported.

The agreement reportedly covers payment of official loans from the governments of 16 industrialized countries.

The secretariat characterized the move as "another solid step" in the debt renegotiation process. The announcement comes at a time when Mexico is in the middle of tough negotiations with its commercial bank creditors on the opposite side of the Atlantic. Mexico's top negotiator, Finance Undersecretary Jose Angel Gurria, has been in Europe for talks with the Paris Club for several days during a break in the New York talks.

The Paris Club agreed to reschedule principal payments Mexico was supposed to make between June 1, 1989 and March 31, 1992. In addition, 100 percent of interest payments due between June 1, 1989, and March 31, 1990; 90 percent of the interest due between April 1, 1990, and March 31, 1991; and 80 percent of the interest due between April 1, 1991, and May 25, 1992, have been rescheduled, the secretariat reported in a press release.

The payments were rescheduled over a period of 10 years with a six-year grace period and interest rates will be worked out with each creditor country, the bulletin says. Mexico has the option of rescheduling the payments again after May 25, 1992.

The Paris Club gave its official approval to Mexico's economic program and agreed to keep its credit lines open to the country, the secretariat reported.

Credits extended to Mexico by the industrialized countries are generally for the purchase of products from those nations. The press release said maintenance of Paris Club credit lines means Mexico will be able to finance the imports it needs to reinstate economic growth.

The bulletin stated that the agreement is "an example of the creditor countries' participation in the financial package supporting Mexico's economic program."

Business Leader Notes Declining Inflation Rate
PA0606025989 Mexico City *EXCELSIOR in Spanish*
31 May 89 p 1-A, 9-A

[Article by Jesus Rivera Valero]

[Text] Business Coordinating Council [CCE] director Francisco Calderon said yesterday that changing the Economic Growth and Stability Pact [PECE] into a shock program is producing for the country spectacular results, such as a 1.2 percent inflation rate in May and a 7.8 percent inflation rate in seven months. As part of the headway, he noted that the increase in money in circulation in April alone was around 30 percent, compared to 145 percent when the Economic Solidarity Pact [PSE] began.

The CCE president added that during the first 3 months of 1989, the public sector's deficit was 5.3 trillion pesos, a favorable figure when compared to the 12.1 trillion-peso deficit reported during the same period in 1988, a 62.3 percent drop.

Francisco Calderon made these remarks during his speech at the seminar, "Plans for Stabilization: Outlook for Latin America," organized by the Inter-American Association of Chambers of Commerce.

Like the PSE, the PECE is clearly viable, should the financial deficit continue to decline substantially from 12.3 percent in 1988 to a planned 7 percent.

He said it is worth noting that the government's budget was drawn up when oil was \$10 per barrel, but now the price of oil is expected to average \$12 per barrel.

Calderon added that, despite increased revenue, spending is not going up but down, and for that reason the "overall" deficit continues to fall.

Talking about the inflation rate, he said that the results are even more spectacular if considered in yearly terms. After reaching our highest inflation rate in history in February 1988 (almost 180 percent), in May 1989 it will be slightly above 18 percent, which is the lowest inflation rate in the 1980's.

He said that these figures refer to the index of consumer prices. However, if producer prices are analyzed, the results are more impressive, since we feel that in May, the yearly inflation rate will be slightly above 12 percent.

These outstanding results in the fight against inflation indicate the Mexican program of stabilization is on the right track, from the viewpoint of its fundamental objective. This is so because all sectors have substantially stayed with the commitments made since 15 December 1987.

However, Calderon warned that this improvement is still insufficient, as can be seen in the productive sector, and although all areas of this sector are experiencing a deceleration, as of yet there is no recession, the unavoidable cost for consolidating the control and stabilization effort." [no opening quotes as published]

Concerning the public sector's finances, efforts have been made to control them. This can be seen in a reduction in the deficit, which went from 16.1 percent of the GNP in 1987 to 12.3 percent in 1988, and in an increased primary surplus, from 6.9 percent of the GNP in 1987 to 7.6 percent in 1988.

CCE director Calderon said that although these results were positive, they exceed expected figures, meaning that the adjustment is still insufficient.

He stated that these overall results, due to the government's strong austerity program, are offset by increased spending in parastatal enterprises. Despite the establishment of public fees and tariffs early this year, the deficit has increased considerably, making greater true austerity in this sector a must.

Citing Bank of Mexico figures, Calderon said that 9 out of the 36 subindexes that comprise the consumer price index have experienced a drop from August 1988 to April 1989. In 4 of these subindexes, the accumulated inflation rate is less than 3 percent; in 13, it is lower than the average inflation rate we have had during these same months; and in only 10 of them is the inflation rate higher than was agreed on.

To conclude, he said it would be advisable to have gradual price deregulation in the the PECE's next phase, because it is impossible to permanently replace the free exchange of the market with an agreement, otherwise the functioning of the country would be hurt, which would be at odds with modernization efforts. "Deregulating the economy would not generate a strong inflationary spiral if the government expands its restrictive fiscal and monetary policies," he noted.

Petrochemicals Show Trade Surplus in 1st Quarter
PA0606042489 Mexico City EXCELSIOR in Spanish
2 Jun 89 p 25-A

[Summary] Mexican Petroleum [Pemex] has reported sales of approximately 415 tons of basic petrochemicals daily on international markets during the 1st quarter of the year, for a total income of \$10.932 million. During the same period, Mexico bought 38 tons of other petrochemicals daily from abroad, spending a total of \$2.089 million.

The Pemex report states that the aforementioned operations generated a positive trade balance of \$8.843 million for the country in the area of basic petrochemicals.

Price of Basic Staple Products Increases
PA0506192589 Mexico City UNOMASUNO in Spanish
28 May 89 p 13

[Summary] The price of the basic basket products increased 50 percent compared to the figures from April 1988. This was mainly a result of a 62-percent price increase for meat, fruits, and vegetable products. The total value of the basic basket in relationship to the minimum wage in effect during April 1988 was 58.41 percent; it increased to 81 percent last month.

El Salvador

Larios Denies Appointment Due To U.S. Pressure
PA0306155489 San Salvador Radio Cadena YSKL
in Spanish 1200 GMT 2 Jun 89

[Text] Defense Minister General Rafael Humberto Larios has said military tactics can be gradually adjusted to changing circumstances. His statement implies that military tactics in the rural and urban areas will be changed.

The defense minister said a reevaluation will be made and new guidelines issued in response to the policies President Alfredo Cristiani will establish.

Gen Larios denied he was appointed defense minister because of pressure from the U.S. Embassy.

D'Aubuisson Explains Why FMLN Dislikes Him
PA0306044189 San Salvador LA PRENSA GRAFICA
in Spanish 2 Jun 89 pp 3, 23

[Text] As Salvadoran vice president-elect, Francisco Merino Lopez once attended a meeting of Central American politicians where it was agreed that the demobilization of the FMLN [Farabundo Marti National Liberation Front] should simultaneous with the demobilization of the Nicaraguan contras.

That is why the FMLN wants to get me out of the way, because it thinks it was my idea, Major Roberto D'Aubuisson emphasized yesterday when answering reporters' questions on why the FMLN requested that D'Aubuisson be brought to trial by the ARENA [Nationalist Republican Alliance] government.

Answering reporters' questions, the ARENA founder and deputy stressed that "the FMLN proposal is for propaganda purposes, but it has some background that I will announce in due time." Nonetheless, he added, a few weeks ago I went to Guatemala with Vice President Francisco Merino Lopez to attend a meeting of Central American politicians. At this meeting, it was proposed that the FMLN demobilization take place simultaneously with the demobilization of the Nicaraguan contras.

Daniel Ortega's Sandinists did not like this idea. The FMLN members followed suit, because they think it was my idea and they want me out of their way as a reprisal. They know very well that the issue of demobilization is part of a proposal presented at the Esquipulas II meeting and by the San Salvador presidential palace during the Central American presidents' meeting held at Costa del Sol, he added.

This is why FMLN members are slandering me and trying to involve me in things I have nothing to do with. The Salvadoran people know this; the people know perfectly well that this is part of an orchestrated campaign, because

I am an enemy of communism, Marxism-Leninism, or whatever one chooses to call those who approve of totalitarianism that goes against the rights of man.

Even if this campaign against me continues, I will not change my thoughts or principles of freedom. I will continue to struggle for the respect of these principles for all my Salvadoran brethren, for whom I have always struggled and for whom I will continue to struggle despite all this slander that the people know is unjust, Maj Roberto D'Aubuisson concluded.

Ponce on FMLN Proposal, New Administration
PA0306232389 San Salvador Canal Seis Television
in Spanish 0200 GMT 3 Jun 89

[Report by Francisco Espinosa—passages within quotation marks recorded]

[Text] Colonel Rene Emilio Ponce, head of the Salvadoran Joint Chiefs of Staff, said that the Salvadoran Armed Forces will not alter their military strategy relating to the struggle against the FMLN [Farabundo Marti National Liberation Front]. Col Ponce added that the new Salvadoran Government has strengthened the Armed Forces and has given them hope that peace will be reached in El Salvador.

Col Ponce believes that the Salvadoran people are paying too high a social, political, and military price for the war and that therefore ending the war is a necessity. On 1 June, Alfredo Cristiani was inaugurated as the new Salvadoran president and, unlike former President Duarte, Cristiani has the firm support of the Armed Forces.

[Ponce] "I believe that President Cristiani's proposal to the FMLN presented yesterday marks a new phase in the search for peace in El Salvador."

The Salvadoran conflict has lasted 9 years, and approximately 70,000 Salvadorans have lost their lives in what has been described as a fratricidal war. Ponce described the FMLN as a weak and demoralized force that only wants to spread propaganda. Ponce also commented on the most recent rebel proposal, which, according to some sources, presents points that would be difficult to fulfill.

[Ponce] "The FMLN does not really want peace in the country; the FMLN wants to make the war even worse. The FMLN will indeed face an Army ready to fight them, because, as an armed institution, we are determined to prevent the establishment of a Marxist, communist government in El Salvador. We are willing to make as many sacrifices as necessary to prevent that. That is our responsibility to the Salvadoran people and to our homeland.

"The most recent FMLN proposal confirms that all FMLN proposals are sheer propaganda. The FMLN has handled its propaganda campaign very skillfully—particularly abroad."

The Armed Forces this week displayed an enormous arsenal confiscated from the FMLN and discovered in a San Salvador neighborhood. High-caliber weapons, bombs, and ammunition worth 3 million colones were part of that arsenal, which represents the harshest blow Salvadoran military intelligence has dealt the FMLN urban guerrillas in the past few years. The FMLN, however, today denied the Armed Forces version. Ponce said with that confiscation, the Armed Forces managed to prevent rebel actions.

[Ponce] "The confiscation of the FMLN weapons, ammunition, and [word indistinct] has prevented those individuals from inflicting more harm on the people. We have also managed to thwart the FMLN's future plans. They had planned actions for today, 1 June, and for subsequent days. We have thwarted an offensive, for which they had a great deal of propaganda, both inside the country and abroad.

"The FMLN members, the FMLN terrorists are demoralized. That is why they are denying that the arms confiscation occurred. The FMLN wants to increase terrorism in the country in order to undermine the ironclad will of the Salvadoran people, who have repeatedly repudiated the FMLN. The Salvadoran people repudiate the FMLN on all fronts. The FMLN is destroying our economy in the belief that the country will not survive such attacks."

Col Ponce said that the FMLN is carrying out more attacks on the country's economy than on the Army troops themselves. Col Ponce, however, seemed optimistic about ending the war during the newly inaugurated Cristiani presidential term and about beginning national reconstruction.

Paris Paper Interviews Army Chief Ponce
PM0506150089 Paris LE FIGARO in French
2 Jun 89 p 6

[Interview with Army Chief Rene Emilio Ponce by Irene Jarry—date and place not given]

[Text] LE FIGARO: President Cristiani has announced his intention of pursuing the dialogue with the guerrillas. Do you think that these talks can lead to peace?

Rene Emilio Ponce: President Cristiani seems determined to continue the dialogue which President Duarte started with the terrorists in 1984. So far, we have not noticed any real progress. If the two parties have a real desire to succeed, dialogue is welcome. But the subversives' sincerity still has to be verified. Their actions have never matched their words. In Mexico last February, the terrorists said that they would not boycott the presidential election and that they would not attack polling stations. However, after preventing all traffic throughout the territory for 4 days and calling for a boycott of the elections, they launched attacks in 12 of the 14 regions of

the country to prevent people from voting. Peace depends on the Farabundo Marti National Liberation Front's [FMLN] sincerity. This sincerity has not been demonstrated.

LE FIGARO: Who is helping the guerrillas from outside?

Rene Emilio Ponce: We seized weapons from the guerrillas between October and December last year. The RPG-18 antitank guns and the AK-47 assault guns come from the USSR. The munitions for the AK-47 were manufactured in Cuba between 1987 and 1988 as a mark on the base of the cartridges shows. We have also captured FAL rifles given to the Nicaraguan Sandinists by Venezuela in 1979 and Soviet Dragonov rifles. All these weapons reach the guerrillas through Nicaragua. A few come by land and a large number by sea, passing through the Gulf of Fonseca. We also have documents proving that relations between the FMLN and Basque Fatherland and Liberty—the Basque separatist organization. It is to the latter that we owe the resurgence in car-bomb attacks over the past year. They are experts. Other documents prove that there are links between the FMLN and the PLO.

LE FIGARO: The guerrillas say that the Army, in its search for rebels, is also attacking the civilian population. What do you think of the accusations of human rights violations also made by various humanitarian organizations?

Rene Emilio Ponce: In 1980, at the beginning of the conflict, the armed forces were not prepared for this kind of combat. At first, we made mistakes, but there have been major changes in our attitude. On the one hand, we are fighting more efficiently. Second, we know that we can only win with the population's support, respecting human rights. We maintain constant communication between the Army and the civilians. Do not forget that in areas affected by the conflict, the mayors and city councillors threatened by the guerrillas have fled. Only the soldiers are left. We have 54,000 armed men distributed throughout the territory. It is difficult to monitor everything. But we intend to ensure respect for human rights and we will punish excesses if they occur.

LE FIGARO: The population says that the Army practices impressment. Is this not a violation of human rights?

Rene Emilio Ponce: There has been no impressment. Our Constitution stipulates compulsory military service between the ages of 18 and 30. There are the following exemptions: only sons, boys who have had a brother killed in action, married men, and young people pursuing university studies. In fact, most of our soldiers are volunteers. They want to serve their country at war. These volunteers also meet an economic need. Some 70 percent of the Salvadoran population are peasants. A whole area of land is unfarmed because of the guerrilla

war. For all those young unemployed peasants, the Army is the only way of earning a living for themselves and their family. We do not force anybody to join our ranks.

Assembly President on FMLN Response to Dialogue
*PA0606222489 San Salvador Canal Doce Television
in Spanish 0300 GMT 6 Jun 89*

[Report on interview with Assembly President Ricardo Alvarenga Valdivieso by Mauricio Funes in San Salvador; portions recorded—date not given]

[Text] [Funes] Ricardo Alvarenga has stated that the recent FMLN [Farabundo Marti National Liberation Front] response to the 1 June dialogue proposal by President Cristiani is the result of improvisation. Let us give the FMLN the benefit of the doubt and believe that their's was a hasty response.

[Begin Recording] [Alvarenga] I believe President Cristiani's interest in solving the problem has been clearly expressed. Perhaps this may be the rebels' first reaction or response, however, [words indistinct]. We must believe we are going to solve the problem—actually sit down at the negotiating table and solve the problem. [end recording]

[Funes] Alvarenga Valdivieso said he would prefer the Catholic Church not participate as a mediator in the talks. The Legislative Assembly president believes direct talks are more effective.

[Begin Recording] [Alvarenga] Most of the time, as I believe in this case, it is advisable to have direct talks, so that concepts are not distorted or diverted, or personal criteria added by parties not responsible for the decision-making process. [end recording]

[Funes] Asked about legal objections his party and the ARENA [Nationalist Republican Alliance] faction had raised in parliament about the talks former President Duarte held with the rebels, Alvarenga Valdivieso said the Legislative Assembly would, in due time, analyze the situation and make recommendations to the Executive Branch to avoid violations of the Constitution. He did not rule out an Assembly delegation participating in the government commission to be established this week that will meet and hold dialogue with the FMLN, as announced by President Cristiani.

Rivera y Damas Assesses Cristiani Economic Plan
*PA0506214489 Panama City ACAN in Spanish
1853 GMT 4 Jun 89*

[Text] San Salvador, 4 Jun (ACAN-EFE)—San Salvador Archbishop Arturo Rivera y Damas said today that "it will be difficult" to reconcile the Alfredo Cristiani administration's economic plan with the fulfillment of the needs of El Salvador's poor.

Rivera y Damas expressed his "satisfaction" over the fact that Cristiani, in his inaugural speech on 1 June, focused attention on El Salvador's poor, promised to respect human rights, and expressed his commitment toward achieving peace.

Rivera y Damas, however—as the traditional mediator between the government and the guerrillas—pointed out that the Cristiani administration's plan, "which is more liberal and will strengthen private enterprise," is not in line with the government's intention to fulfill the needs of the country's poor.

During his inaugural speech, Cristiani—a member of the right-wing Nationalist Republican Alliance (ARENA)—announced the creation of private banking to compete with nationalized banking, the denationalization of foreign trade, and the increased promotion of national production.

Cristiani described these economic measures as being "liberalizing," assuring that the state "will not become excessively involved" in the process of production. Cristiani also denied that his government would bring an end to the agrarian reform process. The Christian Democratic Party began this process in early 1980, along with nationalizing the banks and foreign trade.

CD's Ungo, Zamora, Roldan on Need for Dialogue
*PA0506230089 San Salvador Radio Cadena YSU
in Spanish 1800 GMT 5 Jun 89*

[Report by Milton Grimaldi]

[Text] Top Democratic Convergence [CD] leaders today appealed to the new Salvadoran Government and the Farabundo Marti National Liberation Front [FMLN] to hold a dialogue as soon as possible to discuss the basic content and positive aspects of the proposals presented by the FMLN and President Alfredo Cristiani.

CD leader Guillermo Manuel Ungo said that the appeal to search for areas of agreement is issued with the realization of the responsibilities the political parties assumed at the meeting in Huastepic, Mexico. Ungo said that Cristiani's proposal on the political parties' role is not very clear and that other points are equally ambiguous.

[Begin Ungo recording] Our appeal to the government and to the FMLN to seek points of agreement was made in accordance with the parties' commitment. I would also like to add that Cristiani's proposal to deal with the political parties is somewhat unclear. Some of the points in his proposal are ambiguous. The government is willing to negotiate and to hold talks. This willingness to negotiate, however, can only be productive if the basic content and the positive aspects of the two proposals are considered. For instance, Cristiani mentioned forming a dialogue commission. This commission, because it is for dialogue

and not for negotiating, appears to lack power, even negotiating power. The commission's role appears to be limited to taking preliminary steps toward possible agreements.

This is why although we regard his proposal as positive, we believe that it is very limited in scope. The formation of this commission would mean that a great deal of time would be spent talking without negotiating. As I told [CD leader] Renny Roldan before, we want to learn more about the negotiating positions of the two sides. The conflict can only be resolved through negotiating, not by merely talking. [end recording]

In addition, Ruben Zamora regarded as negative Cristiani's most recent assertions that the government would respond with military force against the guerrillas should they refuse to talk with the government.

[Begin Zamora recording] Cristiani's most recent assertions are negative. He appears to have said: If they do not accept my word, there will be war. I do not believe that we will get anywhere with such thinking. If this line of reasoning is followed, it would mean that the government's proposal was a purely tactical attempt to make the other side turn the offer down so as to have an excuse not to have a dialogue. This is why we in the CD insist that both the government and the FMLN should stop their war of words, which revolves around political solutions, dialogue, and negotiation.

We believe that peace, dialogue, and negotiation are such delicate matters and are so strongly desired by the Salvadoran people that these matters should not be treated like a battlefield for a verbal confrontation between the sides in conflict. On the contrary, each side should try to regard in a positive light what the other side proposes. The sides should refrain from automatically rejecting what the other side says. The chance for dialogue is nil with such a position. The CD believes that it is necessary to consider the positive aspects of the FMLN and Cristiani proposals. This way there could be a truly sincere dialogue leading to a true, negotiated agreement. [end recording]

Finally, Roldan said that the Salvadoran Catholic Church's mediation between the conflicting sides is necessary to achieve a true and lasting peace in El Salvador.

Cristiani Appoints National Bank Officials

PA0606042189 San Salvador EL DIARIO DE HOY
in Spanish 5 Jun 89 p 10

[Text] The government yesterday officially announced the names of the individuals appointed by Salvadoran President Alfredo Cristiani to serve as presidents of the nation's banks, savings and loan institutions, and other organizations.

The following officials have been named:

Cuscatlan Bank, Eduardo Vilanova; Salvadoran Bank, Augusto Ramon Avila; Commerce Bank, Ramon Avila Quehl; Agricultural Bank, Ramon Gonzalez Giner; Development Bank, Gerardo Balzaretti; Mercantile Bank, Ana de Montenegro; Finance Bank, Jose Luis Zablah; Investment Bank, Ernesto Arbizu.

The president of the savings and loan institutions are: Ahorromet, Juan Federico Salaverria; Casa, Harold Hill; Atlacatl, Gaston Claramount Duenas; Credisa, Ricardo Montenegro; Aprisa, Roberto Navarro; Crece, Jose Alberto Gomez.

Designations at other institutions are as follows:

CORSAIN [Salvadoran Investment Corporation], Mario Emilio Redaelli; BANAFI [National Industrial Development Bank], Rene Santamaria; CEPA [Autonomous Executive Port Commission], Luis Andreu; FIGAPE [Finance and Guarantee Fund for Small Businesses]; and ISTU [Salvadoran Tourism Institute], Carlos Hirleman.

Persons Linked to Weapons Arsenal Identified

PA0406130989 San Salvador EL DIARIO DE HOY
in Spanish 3 Jun 89 pp 5, 19

[Excerpts] The second in command of Farabundo Marti People's Liberation Forces [FPL] terrorist group and the former son-in-law of former Agriculture Minister Oscar Morales were captured during the recent seizure in northern San Salvador of a large arsenal of weapons belonging to the Farabundo Marti National Liberation Front-Revolutionary Democratic Front.

National Police sources reported the arrest of an individual known by the alias Mario Gonzalez, who is regarded as the FPL's second in command after Commander Leonel Gonzalez.

According to our sources, the other captured person is Joel William Gallardo Alvarado, avowed member of the People's Revolutionary Army (ERP) and son-in-law of a former Christian Democratic Party agriculture minister. [passage omitted]

Also arrested during the operation leading to the seizure of over 500 Soviet-made rifles was Vilma Yanet Morales de Gallardo, Joel William Gallardo's wife, who is the daughter of the former minister.

The woman was released because of an "alleged lack of evidence," although National Police sources stated that more weapons of the kind found in the arsenal were also found in the couple's home in San Jacinto neighborhood. [passage omitted]

Our sources confirmed more persons were arrested in connection with this case. A special commission composed of police agents in coordination with the Attorney General's Office is investigating these people to determine who is to be legally charged and tried. [passage omitted]

Although the value of the weapons has not yet been determined, it is estimated each rifle is worth \$5,000 and each rocket \$1 [figures as published] on the black market, bringing the total value to several million dollars.

Police investigations will determine how many persons are implicated and their ties to former Duarte government officials, officials who were known for their arrangements with terrorists and criminals and for their corruption.

May Rebel, Civilian Casualty Figures Given

*PA0306021889 San Salvador Radio Cadena YSKL
in Spanish 1200 GMT 2 Jun 89*

[Text] Salvadoran Thunder Battalion troops belonging to Military Detachment No 5 stationed in Cojutepeque have dismantled a Farabundo Marti National Liberation [FMLN] camp near El Coyol Hill, Suchitoto Jurisdiction, Cabanas Department. According to the military report, the soldiers found over 300 cartridges, materiel for bombs, food, medicine, and leftist propaganda in the guerrilla hideout.

Paratroopers confiscated six catapults, two Claymore mines, cartridge clips, and other war materiel after clashing with FMLN rebels in Cinquera, Cabanas Department. Neither side sustained casualties in this clash.

The Salvadoran Armed Forces claim to have killed 197 FMLN guerrillas and to have wounded an additional 175 during clashes in May in several parts of the country.

The Army also reported confiscating 118 rifles of various caliber, 6 RPG's, 236 booby traps, 122 fragmentation grenades, and large quantities of materiel to make bombs. The military sources reported that in May, the rebels killed 32 peasants, seriously wounded 62, and kidnapped 16 others. The report adds that 17 of the 32 dead civilians were killed with mines.

FMLN Reports Clashes, Casualties, Confiscations

PA0106155289

[Editorial Report] (Clandestine) Radio Farabundo Marti in Spanish to El Salvador at 2300 GMT on 30 May carries three battle reports lasting 10 minutes.

The first report is from the Modesto Ramirez Central Front and says: "At 1514 on 30 May, FMLN [Farabundo Marti National Liberation Front] rebels attacked an Atlacatl Battalion company in El Rincon and Santa Ines, San Jose Guayabal jurisdiction, Cuscatlan Department.

The FMLN forces killed 8 and wounded 22 of the enemy. Our forces also seized 8 M-16 rifles, an M-60 machinegun with a spare barrel, 2 rocket launchers, 2 Claymore mines, 5 hand grenades, a PRC-77 radio set with a spare battery, 2,000 rounds of 7.62-mm ammunition, 2,000 rounds of 5.56-mm ammunition, 14 backpacks, medicine, clothes, food, and other military supplies. At 0747, the enemy evacuated its casualties. An A-37 plane and a UH-1N helicopter later strafed, bombed, and fired rockets at the FMLN forces, although we had allowed the Army to pick up its dead and wounded." The station adds that more than 50 casualties have been inflicted on the Army in the Guazapa area in less than 48 hours.

The second report is from the Paracentral Front and says: "At 0900 on 30 May, FMLN guerrillas ambushed a 1st Military Detachment convoy of four trucks and an armored personnel carrier on the highway from (?Sesori) to Ilobasco. In the attack, which was near Santa Lucia in Cabanas Department, the guerrillas used Manuel Jose Arce antipersonnel mines and rifle fire. The third vehicle in the convoy received a direct hit. The enemy sustained 15 casualties, and the truck was partially destroyed. The enemy reacted by opening fire in all directions for 30 minutes. The guerrillas escaped unscathed."

The third report also comes from the Paracentral Front and says: "At 0630 on 30 May, guerrillas and rebel militias ambushed a truck near Los Cerritos, on the road from Sensuntepeque to Ilobasco, using Manuel Jose Arce antipersonnel mines. The truck carried approximately 15 soldiers. We inflicted 10 casualties on the enemy, and the vehicle was completely destroyed."

29-31 May Actions

PA0306034489

[Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 1800 GMT on 1 June broadcasts a 5-minute military report, which includes details on various FMLN attacks against and clashes with Salvadoran Army troops.

The first report states that FMLN units attacked 5th Infantry Brigade troops guarding a farm located in Jiboa, San Vicente Department, inflicting "approximately 12 casualties" on 31 May.

The next report states that FMLN units seized four rifles belonging to civilian defense members guarding a farm located in Zacatecoluca Jurisdiction. A report from La Bermuda Canton, Villa Victoria, states that FMLN guerrillas ambushed Army troops, inflicting two casualties.

The next report from San Salvador claims that FMLN urban commandos sabotaged warehouses located on Army Boulevard at 1935 on 23 May. Another report indicates that FMLN units clashed with Arce Battalion troops at Portillo Grande Canton, San Gerardo Jurisdiction at 1200

on 30 May, inflicting one casualty on the Army troops. The report adds that FMLN units inflicted two more casualties on the same troops at 1000 on 31 May.

The last report includes information on various sabotage operations carried out by the FMLN, including the destruction of a bridge between Libertad Port and Majahual, the destruction of several power towers along the Coastal Highway between Zacatecoluca and San Juan Nonualco, the destruction of several telephone booths in San Salvador's Boulevard neighborhood, the destruction of two transformers on Venezuela Boulevard in San Salvador, and an ambush of cavalry troops on the Coastal Highway between La Libertad Port and San Diego on 29 May, in which the FMLN units inflicted five Army casualties.

Military Report for May

PA0306194489 (Clandestine) Radio Venceremos in Spanish to El Salvador 0000 GMT 1 Jun 89

[Text] Here is our military report for May, a month of victories. From the reports we received in May, and taking into account reports from the Armed Forces themselves, we have estimated 720 Armed Forces casualties, including an officer whose rank has not been determined, 8 lieutenants, and a sublieutenant. Four soldiers were captured during clashes in May, and two of them were publicly turned over to the government. We also staged 22 ambushes of military vehicles.

As is well known, daytime attacks were the most effective tactic in May. We also intensified antiaircraft actions, destroying 1 helicopter and damaging 10 others. We also seized the following weapons: 22 rockets, 3 M-60 machineguns, 2 M-79 grenade launchers, 7 light assault weapons, and 3 military radios.

During May we sabotaged a factory, two coffee processing plants, a ranch, a bridge, a section of the railroad, a mayor's office, and two ANTEL [National Administration for Telecommunications] offices. We estimate our forces blew up 200 power poles, most of them in San Salvador.

Claims 100 Army Casualties

PA0506163889 (Clandestine) Radio Venceremos in Spanish to El Salvador in Spanish 0000 GMT 5 Jun 89

[Text] During the week of 29 May-4 June, we inflicted over 100 casualties—including one officer, two explosives experts, one sergeant, and one corporal—on the Armed Forces. During that week, we carried out four important ambushes against military vehicles.

One of the most important events during the week was a maneuver against two sections of Atlacatl Battalion in El Rincon and Santa Ines hamlets, San Jose Guayabal, where we seized the following war materiel: 8 M-16 rifles, 1 M-60 machinegun, 2 LAW rocket launchers, Claymore mines, 5 handgrenades, and 14 knapsacks.

The maneuver inflicted approximately 30 casualties on Atlacatl Battalion, as the Armed Forces Press Committee has admitted. [passage indistinct]

31 May-3 Jun Attacks

PA0406042689

[Editorial Report] (Clandestine) Radio Venceremos in Spanish to El Salvador at 0000 GMT on 4 June broadcasts 10 minutes of military reports on FMLN attacks and sabotage operations carried out between 31 May and 3 June.

The first report indicates that FMLN units ambushed a military vehicle on the Pan-American Highway near Valle Nuevo, Apastepeque Jurisdiction, San Vicente Department at 2030 on 1 June, inflicting five casualties on 5th Infantry Brigade troops.

The next report states that FMLN guerrillas clashed with 5th Infantry Brigade troops in San Vicente Department on 1 June, inflicting two casualties. The third report says that FMLN units seriously wounded paratroopers "with a mine" in San Benito Canton, Cinquera Jurisdiction, at 0900 on 3 June. The same report adds that "FMLN units seriously wounded one Atlacatl Battalion unit in Suchitoto Jurisdiction, at 1400 on 2 June." The next report states that FMLN units inflicted one casualty on Air Force troops in San Jose Cortez Canton at 0640 on 1 June.

In a report dated 1 June, the FMLN reports that rebel units occupied a section of the Northern Trunk Highway, erected barricades along the occupied section, and destroyed two nearby power transmission towers. A report from Chalatenango Department states that FMLN units inflicted "four enemy casualties" in clashes in San Jose Las Flores Jurisdiction. The last report indicates that FMLN rebels blew up two electric power transmission towers between San Vicente and Tecoluca on 31 May. The same report adds that four other power transmission towers were sabotaged on 2 June.

Bus, Passengers Attacked

PA0606005589 San Salvador Radio Cadena YSKL in Spanish 1520 GMT 5 Jun 89

[Text] Reports from Usulután indicate that Mayor Tomas Bernal was aboard the Route 447 bus that was intercepted and machinegunned by guerrillas this morning as it traveled between San Agustín and Usulután.

As the guerrillas prepared to hold a meeting with the passengers, the mayor drew out his gun and a grenade. The guerrillas opened fire on Bernal, killing him and wounding other passengers, including Maria Luisa Caranza Valladares, an 11-year-old girl who, due to the seriousness of her condition, was taken to the Rosales hospital in San Salvador.

Six other people who suffered minor wounds were treated and released. The incident took place at 0630 today.

Guatemala

Bank President Denies Devaluation of Currency

PA0506191589 Guatemala City LA HORA in Spanish
1 Jun 89 p 6

[Text] "It is totally false that there will be a devaluation of our currency," Bank of Guatemala [BANGUAT] President Lizardo Sosa Lopez has said, adding that "exporters should rest assured they have available sufficient foreign currency."

The BANGUAT president said "there are enough dollars; therefore, agricultural exporters should not worry under any circumstances."

Sosa Lopez pointed out that "Guatemalan exports have grown at a 7-percent rate, which is an improvement and shows Guatemala's capacity for economic development."

He then said that "1989 has been a good year, because the growth rate has increased compared to previous years. We will continue working on this so Guatemala's economy will continue to grow even more," he added.

"Under no circumstances do we plan to maintain an artificial exchange rate, because that is not the bank's policy," he stressed.

"I urge the population to turn over any bills that are in poor condition to any bank in the system, so the banks will turn the bills over to us and we can replace them with new ones," Lizardo Sosa Lopez said.

"There are many new bills available," Sosa Lopez pointed out, adding that "the trouble is that people are not cooperating in this respect. Many people are saving old bills and do not turn them in, thinking the bills will not be accepted."

To conclude, Lizardo Sosa Lopez emphasized: "I wish to avail myself of the opportunity with the media to tell people to have confidence and take their old bills to the system's banks. In this manner, all the paper money we have in circulation will not deteriorate," the BANGUAT president stressed.

Retirement of 2 Generals, 10 Colonels Announced

PA0606030389 Guatemala City PRENSA LIBRE
in Spanish 3 Jun 89 p 2

[Text] Colonel Luis Arturo Isaac Rodriguez, head of the Armed Forces' Information and Press Department (DIDE), confirmed yesterday that 2 generals and 10 colonels will retire on 30 June, Army Day.

The generals who will retire are Deputy Defense Minister Guillermo Arturo (Cancho) de la Cruz and Vice Admiral Arturo Rubio Cruz, commander of the Pacific Naval Base.

The Armed Forces spokesman said that he did not know who will replace Deputy Minister De la Cruz.

However, it was unofficially reported that General Anacleto Maza Castellanos, military attache at the Guatemalan Embassy in Washington, will assume that position.

Col Isaac said that DIDE will organize the Army Day celebrations.

Honduras

Azcona Discusses El Salvador, Panama, IMF

PA0706032189 Tegucigalpa Voz de Honduras
Network in Spanish 1145 GMT 6 Jun 89

[Interview with President Jose Azcona by Allan Roy Arthur; date and place not given—recorded]

[Excerpt] [Arthur] President Azcona, what is your position on the conflict involving the Teachers' Social Security Institute [INPREMA]?

[Azcona] I will ask the parties involved to give me more details about their positions to help me make as just a decision as possible.

[Arthur] How soon could this decision come?

[Azcona] I would like to settle the problem this week. It will not be a permanent solution, because this organization will not disappear. INPREMA was established to guarantee the social security and retirement of teachers. It is thus very important that our decision ensure INPREMA's continued existence and improve labor-management relations. In this case, the teachers are the management and the workers affiliated with INPREMA's union are labor.

[Arthur] You recently visited El Salvador. Will the Central American summit take place in July?

[Azcona] Yes, it will take place on the 2d weekend of July; specifically, I believe we will meet on 7, 8, and 9 July in Tela or Roatan. At that summit, we will review the implementation of the Esquipulas II agreement and the one we signed in February in El Salvador.

[Arthur] What is your impression of Salvadoran President Cristiani? Some believe his right-wing position is too extreme.

[Azcona] Cristiani comes from the private sector; his ideas have been shaped by his involvement in that sector. He criticized the reformist policy of President Duarte's government. I will not say whether Cristiani's policy is good or bad. However, I believe Cristiani will allow wider marketing of export products; that is, he will allow the private sector to export products such as coffee instead of allowing only the Salvadoran Coffee Institute to market that commodity.

Cristiani clearly said he will not undercut agrarian reform. I believe he will take a moderate position, but he undoubtedly will be somewhat more receptive to the private sector.

[Arthur] Mr President, it seems it is difficult to remove General Noriega as Panama's strongman despite U.S. pressure. What is good for Panama in your opinion?

[Azcona] I believe it is advisable for Panama to enter a new phase; a phase with a government elected by the people and with less meddling by the Panama Defense Forces in the country's administrative and economic affairs. I believe an intelligent solution must be found to ensure that Gen Noriega remains open to overtures from certain countries. Spain could be one of those countries. Also, a compromise could be reached to allow Noriega to stay in Panama with certain guarantees.

This must be done as soon as possible, because Panama's economic situation is very serious. Panama is even unable to pay us for the electricity we supply it. Panama owes us more than \$4 million. We will stop selling Panama electricity. Electricity from Honduras makes up a very small portion of Panama's total consumption, but we can no longer continue to supply electricity for which we are not being paid.

[Arthur] Will you continue the Honduran Government's current policy on the presence of a multinational peace force?

[Azcona] Of course I will. We absolutely agree with ONUCA [UN Observers for Central America]. We will again promote that initiative at the presidential summit. We, however, want reciprocity from Nicaragua. We want Nicaragua to stop threatening Honduras with The Hague suit, because that suit will not benefit Nicaragua very much either. It will only mean a very high cost for both countries. We will both have to pay lawyers and foreign advisers. It will be a lawsuit that may last 4 or 5 years, but if the Central American political problem is not solved in 4 or 5 years, then we all lose. The suit Nicaragua has filed and continues to press at The Hague is senseless.

[Arthur] Will U.S. Vice President Dan Quayle definitely come to Honduras?

[Azcona] He will arrive in Honduras on 12 July. I believe he will stay here overnight and will leave for the United States the next day. I do not know whether he will visit other Central American countries.

[Arthur] Can you tell us what topics you will discuss with Vice President Quayle?

[Azcona] We do not have a final agenda yet, but we will definitely talk about bilateral issues, aid, and even matters regarding our problem with Nicaragua. We will definitely discuss those things.

[Arthur] What can you tell us about the negotiations with the IMF? Is there anything new?

[Azcona] We will adopt certain economic and monetary measures whether or not we reach an agreement with the IMF. For example, many people have criticized the CETRAS [Transferable Certificate for Access to Foreign Exchange] policy. Some have said the CETRAS are a mistaken policy. Industrialists, on the other hand, have told us we must increase the CETRAS' value to 75 percent. I believe we must not go to extremes. We probably will keep the current CETRAS value, which is 40 percent. We will, however, make the CETRAS a permanent policy. In other words, no one will start threatening to increase or decrease the CETRAS' value.

We also want to create bank accounts in dollars. We will present a bill for the creation of those accounts. Those accounts will not be created by a Honduran Central Bank decision or a resolution issued by the Honduran Central Bank's Board of Directors, but by a law. With that law, everyone will be authorized to have bank accounts in dollars. They will be guaranteed that those dollars will not be converted into lempiras as was done in the past, when bank accounts in dollars were converted into bank accounts in lempiras overnight. Such an action would reduce the effectiveness of our law. We will create bank accounts in dollars through a law. The bill will be sent to the National Congress.

We will take other measures that will undoubtedly benefit the balance of payments. There is a lot of talk about the balance of payments. The balance of payments is a foreign debt servicing problem. The trade balance deficit is very small. Our imports are a little higher than our exports, but the difference is not so dramatic. The dramatic problem is the debt servicing. We all know this problem was not created by this government, but our intention is not to find someone to blame for the problem. Those who offered loans without hesitation for projects that failed are also responsible for this problem. The balance of payments problem in Honduras is basically a foreign debt servicing problem. [passage omitted]

Nicaragua

Ortega Asks OAS To Respect Self-Determination
PA0706024089 Panama City ACAN in Spanish
0144 GMT 7 Jun 89

[Text] Masaya (Nicaragua), 6 Jun (ACAN-EFE)—Nicaraguan President Daniel Ortega said today that the OAS commission trying to mediate in the Panamanian crisis should be "respectful" of the peoples' principle of self-determination.

In statements to ACAN-EFE, the Nicaraguan president warned that "if we are going to set standards to supervise elections in certain countries, we would also have to do so in the remaining Latin American countries."

Ortega underscored that "we better treat all the countries with the same yardstick, as we cannot start accusing a specific country."

According to Ortega, the crisis Panama is going through "is a result of U.S. political interests and meddling and it is up to the Panamanians to resolve their own problems."

"When one speaks of democracies in Latin American countries, there are many countries the democracies of which are seriously questioned by the the international community, but to which the U.S. Government has not shown much attention or concern," Ortega said.

In Washington, the OAS foreign ministers today decided to extend until 19 July the term of the commission that mediates in Panama's crisis.

In addition, Ortega said that no one has reported to him the dates for the next Central American presidents summit, which have already been set by the other presidents.

During Salvadoran President Alfredo Cristiani's inauguration on 1 June, Honduran President Jose Azcona, Guatemalan President Vinicio Cerezo, and Cristiani agreed to hold the next summit in Honduras on 7, 8, and 9 July.

Ortega said that no area president has officially reported these dates to him yet and that he expects to talk with Azcona, whose country will host the meeting, "to set the dates."

Ortega today visited Masaya, 30 km east of Managua, where he delivered a speech under a heavy rain, to commemorate the 10th anniversary of the Masaya people's insurrection against Anastasio Somoza's regime.

Communique on U.S. Expulsion of Diplomats
PA0606170489 Managua BARRICADA in Spanish
3 Jun 89 p 9

[Foreign Ministry communique—date and place not given]

[Text] The Nicaraguan Foreign Ministry hereby informs the local and international community that at 1100 on 31 May 1989, Washington time, Nicaraguan Charge d'Affaires Leonor Arguello de Hupper attended a meeting called by the U.S. State Department, in which Mr Michael Kozak, acting U.S. assistant secretary for inter-American affairs, notified Mrs De Hupper that Nicaraguan diplomats Roberto Vargas and William Vigil, both accredited as advisers to the Nicaraguan Embassy in Washington, had 72 hours to leave the United States beginning at 1730 on 31 May.

It is obvious that the measure adopted by the U.S. Government is absolutely unfounded. It is only a way to take revenge, an attitude that usually characterizes the U.S. Government's responses to measures adopted by countries

that defend and demand respect for their rights as sovereign states. In addition, the U.S. Government's response is completely disproportionate, if one considers the number and positions of the Nicaraguan diplomats expelled from the United States and the number and positions of the U.S. diplomats that had to leave Nicaragua. In the case of the U.S. diplomats, only Mr Cassman was accredited to Nicaragua. Mr Cassman was the head of the economic section at the U.S. Embassy in Managua, a title that is incomprehensible while the United States maintains the illegal trade embargo against Nicaragua. In view of that situation, it is obvious Mr Cassman had nothing to do in the field of his alleged post.

The other U.S. diplomat, Mrs Barmon, was not declared persona non grata, because she was not a diplomat accredited to Nicaragua; she was simply a visitor who was a U.S. diplomat accredited to the government in Tegucigalpa.

We must add that Mrs Barmon had been the object of a vigorous protest by the United Federation of Honduran Workers (FUTH) to Honduran President Jose Azcona. In the document, FUTH condemned her for actions "that were flagrant interference in our country's domestic affairs." FUTH demanded the U.S. diplomat to present appropriate explanations, stating that "if such explanations are not presented to you in a satisfactory manner, Mr President, it would be your duty to restore the nation's honor by applying the norms that such a case demands."

In Mrs Barmon's case, Nicaragua decided to revoke her visa and deny her entry into Nicaraguan territory because of her interventionist actions in a country such as Nicaragua, which does not fear applying the norms cases demand in response to actions that violate the country's sovereignty and honor.

In addition, the Nicaraguan diplomats expelled from the United States occupied the second and third most important positions in the Nicaraguan mission in Washington, which comprised a total of 15 officials, including the 2 expelled diplomats. This figure contrasts with the 55 U.S. diplomats accredited to Nicaragua and the approximately 300 local employees the U.S. Embassy has in Managua; the Nicaraguan Embassy in Washington only has 3 locals working for it.

The disproportionate response is even more obvious if one considers that 13.3 percent of the Nicaraguan Embassy personnel has been affected while only a tiny 1.85 percent of the U.S. diplomats accredited to Nicaragua have been affected.

In view of the aforementioned measures, the Nicaraguan Government has informed the U.S. Embassy that bilateral talks—to establish rules to regulate and set reasonable and fair limits to the number of accredited diplomats and local employees of their respective embassies within the spirit of most strict reciprocity—must begin in June.

Foreign Ministry Communique on Elections Issued
PA0606172489 Managua BARRICADA in Spanish
3 Jun 89 p 3

[Foreign Ministry Communique dated 2 June]

[Text] The Nicaraguan Foreign Ministry hereby notifies the Nicaraguan people and the international community of the following concerning observers of the general elections slated for 25 February 1990.

First, it is noteworthy to point out that observation is not a new experience in the elections of revolutionary Nicaragua. There were over 400 governmental and nongovernmental observers present for the November 1984 elections. Their reports vouched for the honesty of the campaign that was carried out in conditions above the norms of most of the countries in the region.

When Nicaragua announced in Costa del Sol its decision to invite "the participation of international observers, particularly delegates from the UN and OAS secretaries general, to the various election districts," it was not assuming a new commitment.

Observation Is a Commitment of the Five Countries

The Esquipulas agreement had established that commitment for all Central American countries, with no exceptions, when it pointed out elections should be held "with international observers and under guarantees equal" to those contemplated for the Central American parliament. In other words, with the commitment of "the respective governments of inviting the OAS, the UN organization, and other governments to send observers."

Although this is an agreement among all the Central American presidents, Nicaragua has no knowledge that other governments of the area that have held elections after 7 August 1987 have complied with the basic commitment of inviting the UN and OAS secretaries general to send delegations to observe the entire period of their respective election campaigns. This omission would be a flagrant violation of the Esquipulas agreements.

On 3 March 1989, the Nicaraguan Government formally invited the OAS and UN secretaries general to form groups of observers "whose aim would be to verify the measures as announced (in Costa del Sol) and the honesty of the election campaign in each and every phase." In these invitations, the Nicaraguan Government pointed out that "it would grant special attention and importance to the reports and recommendations that were made."

The OAS Is Already Observing in the Area

Almost immediately after that, on 10 March 1989, the OAS secretary general accepted the invitation and reported he "was taking the necessary measures to establish the mechanism and form the group of observers."

The secretary general's representative has been observing all the steps the government has been taking to comply with the political agenda and timetable as announced in Costa del Sol. On his part, the UN secretary general has welcomed the invitation by the Nicaraguan Government. However, he recently said at the International Conference on Central American Refugees held in Guatemala that he "continued to study this request carefully." On several occasions, he has told us that inasmuch as this type of observation that is requested has never been given to independent countries, some of the members of the organization are opposed to doing this for fear of creating a precedence, despite the fact Nicaragua's request is supported by a UN General Assembly resolution and a declaration of the five Central American presidents. Because the UN secretary general has not confirmed his acceptance, which results in the absence of the observers here—makes it impossible for them to prepare a report on the measures adopted by the Nicaraguan Government concerning the electoral law, the law on the media, and other actions.

The OAS Reports Would Be the Official Ones

In view of the understandable difficulties the UN secretary general has had in definitely accepting Nicaragua's request and sending observers to the country, the reports by OAS Secretary General Joao Clemente Baena Soares will be the official reports of the election process, as requested by the Esquipulas agreements on free elections. The Nicaraguan Government has requested the OAS secretary general to issue his first report so it may be presented during the next meeting of the executive commission slated to be held in Guatemala on 8 and 9 June.

The OAS secretary general, in his capacity as official observer, would issue a second report on compliance by the Nicaraguan Government on 24 August, when the initial phase of the election process, which was announced in Costa del Sol, will end. At a latter date, the OAS secretary general would be asked to issue at least two new reports corresponding to each one of the periods the second phase is divided into. These periods will end on 3 December 1989 and 21 February 1990, respectively, according to the Electoral Law.

The Supreme Electoral Tribunal [CSE] Will Accredited Observers

Going beyond the explicit commitment announced in Costa del Sol of inviting OAS and UN delegates, as observers, the Nicaraguan Government also has invited the European Parliament to observe the election process. Meanwhile, the CSE has asked Venezuela's Supreme Electoral Council, Costa Rica's Supreme Electoral Tribunal, and Sweden's Electoral Commission to offer technical assistance throughout the election process.

As the election process develops, more observers will be invited with the understanding that only the Nicaraguan Government and the CSE president can issue invitations. The government will issue such invitations via the president of the Republic or the foreign minister. In any case, only the CSE will be empowered to accredit observers in accordance to corresponding regulations it issues.

Elections Are Not Fairs

The processes through which free peoples sovereignly elect those who will rule the fate of their countries are very serious and dignified exercises that deserve the greatest respect. Thus, elections should not be viewed as large international fairs in which everybody feels the right to meddle, proclaim themselves as observers, and disrespect the people's sovereign right to freely elect their own leader without interference. Few countries in the world have opened their doors and offered all the assistance required by organizations as prestigious as the ones invited by Nicaragua to observe our process and issue periodic reports on its developments. Their delicate task must be respected, which implies, among other things, that those who have not been entrusted with these responsibilities must abstain from unscrupulously passing judgment that could be construed as interference.

It is indispensable to underscore this in view of U.S. interventionist policy in the history of election processes in Latin America, particularly in Nicaragua.

Radio Impacto, whose links with mercenaries of the U.S. administration and the CIA are widely known, on 26 May transmitted from its base in Costa Rica the following statement by Mr John Leonard, U.S. charge d'affaires in Nicaragua, regarding our decision to cancel the visa of Kathleen Williamson Barnom and declare Mr Joel Cassman as persona non grata: An election process is beginning in Nicaragua, and many observers will have to talk with people of different social strata in the country; in fact, even diplomats must gather information on what is happening. If these observers are expelled everytime they are pictured talking with people, we will not be able to record what is going on here." [no opening quotation mark as published]

The Fox Cannot Be Entrusted With Guarding the Henhouse

It is almost needless to point out that U.S. diplomats have not been invited by the Nicaraguan Government to act as observers during the election process. Inviting them would be like entrusting a fox to guard the henhouse.

No diplomatic mission accredited in our country has been invited to participate with observers in the election process. All diplomatic missions are committed by the Vienna Convention on diplomatic relations not to intervene in the internal affairs of Nicaragua, especially its election process. This ban implies that their personnel

are not allowed to participate in partisan demonstrations or meetings or other activities that could violate their international obligation of "not interfering in the internal affairs" of their host state. The Nicaraguan Government will not allow violations of this provision and will take vigorous action to end any violations of such standards.

Managua, 2 June 1989

Government Adopts 'Brutal' Economic Measures

PA0606233789 Managua Radio Corporacion
in Spanish 2300 GMT 6 Jun 89

[Text] The government of the Sandinist National Liberation Front [FSLN] today adopted brutal economic measures. The cost of living is becoming more difficult. On the black market the cordoba has dropped to 20,000 per dollar. The economic measures officially announced today by the Sandinist Government have been termed brutal. The government has announced a disproportionate devaluation of the cordoba, which puts Nicaraguans' cost of living even higher.

The exchange houses have announced a new exchange rate. The dollar is bought at 15,550 cordobas and sold at 16,275 cordobas. The black market exchange rate rose to 20,000 cordobas per dollar.

The price of gasoline, which is vital for industry, commerce, and agriculture, has increased tremendously from 15,600 cordobas to 17,700 cordobas per gallon. The bureaucrats of Sandinism can no longer say that the FSLN is the solution for Nicaraguans.

Panama

Ritter Says Government Open to Dialogue

PA0706034589 Madrid EFE in Spanish 0254 GMT
6 Jun 89

[Text] Washington, 6 Jun (EFE)—Panamanian Foreign Minister Jorge Ritter, who is attending the special OAS meeting that is debating Panama's crisis, today said his government "is open to dialogue, but firmly believes that Panama must be respected and that the nonintervention principle must be maintained."

In the OAS halls, Ritter said his government would accept any OAS mediation "provided it is done in good faith and works toward a rapprochement, although Panama is being economically attacked and politically destabilized."

The foreign minister pointed out that the Panama Canal Treaties are "violated constantly." As an example, he said: "Over the past 16 months, Panama has not received the money due it for the use of the interoceanic canal."

He believes "there cannot be a true solution to the problem as long as Panama continues to be economically and militarily attacked. We must keep in mind that the Panamanian people are terrorized by the movement of U.S. helicopters, planes, and vehicles."

Ritter said that the fact that Bush ordered additional troops sent to Panama "entails a new violation of the canal treaties." He thanked Nicaraguan and Mexican Foreign Ministers Miguel D'Escoto and Fernando Solana Morales respectively for their speeches today that stressed the nonintervention principle.

ADOC Issues Communique on OAS Visit
*PA0206152689 Panama City LA ESTRELLA DE
PANAMA in Spanish 1 Jun 89 p A-3*

[Communique issued by the Civic Democratic Opposition Alliance in Panama City on 30 May]

[Text] The Civic Democratic Opposition Alliance [ADOC] candidates inform the Panamanian people about the OAS foreign ministers' mission in Panama:

1. The OAS delegation visited Panama after a resolution was issued at the end of the 21st OAS foreign ministers consultative meeting. The resolution included two basic points: First, it considered "the grave events and the abuses by General Manuel Antonio Noriega" as the cause of the Panamanian crisis; and second, it suggested reaching "a national agreement that would ensure a transfer of power by democratic means and within the shortest possible time, with full respect for the Panamanian people's sovereign will."

2. During their first two meetings with the OAS mission, the ADOC candidates presented their position in the following terms:

First, we proposed a direct dialogue with Gen Noriega and the Panama Defense Forces [FDP], without preconditions, to reach a national agreement between the civilians who received the people's mandate on 7 May and the military men who currently hold all public power in their hands.

Second, we proposed the discussion of two topics at the heart of our crisis: respect for the people's will as expressed on 7 May and the need for Gen Noriega's departure.

At the third meeting, the OAS delegation told us that Gen Noriega had rejected our proposal. He refused to talk directly with us, arguing on the one hand that the military had nothing to do with the elections and on the other that civilians had nothing to do with his departure. He limited himself to proposing talks between us and Carlos Duque, the defeated COLINA [National Liberation Coalition] presidential candidate.

3. The OAS foreign ministers delegation could not fulfill the task with which the OAS had entrusted it because of Gen Noriega's intransigence. Noriega showed his intransigence by pretending that he had nothing to do with the election, when in fact he chose and supported the government candidate. He took steps that violated human rights during the election process. He promoted a fraud during the elections and the vote-counting process. He made the decision to annul the elections. He showed his intransigence when he said only the military could discuss his departure, when the dictatorship he heads and the crisis his dictatorship has caused are harming all Panamanians. For that reason, the vast majority of our people want his departure. Gen Noriega showed his intransigence when he pretended that Mr Duque could offer a solution to the crisis, when the latter is in fact an instrument of Gen Noriega's military arrogance.

Gen Noriega did not limit himself to rejecting our dialogue proposal. He also showed disrespect toward the OAS delegation visiting Panama when we first met with the delegation. In fact, several ADOC advisers were stopped and threatened by the G-2 [FDP intelligence]. Several people accompanying the ADOC candidates were arrested by military and paramilitary men. Despite the efforts of the OAS delegation to obtain their release, those people remain imprisoned. Not satisfied with everything he had done, in statements to the media on the last day of the OAS delegation's visit, Gen Noriega proposed that Japan mediate in the Panamanian crisis, as if the OAS were useless.

4. The OAS foreign ministers delegation has yet another task to fulfill. When presenting its report to the other OAS foreign ministers during a meeting scheduled for 6 June, the delegation will be in a position to say that Gen Noriega's dictatorial intransigence prevents a democratic solution to the Panamanian crisis. The delegation's report can promote a collective, urgent, and vigorous action by the OAS to support human rights and representative democracy in Panama, as the OAS did during the Somozist dictatorship in Nicaragua. That would be an effective demonstration of solidarity with the Panamanian people and proof of the valuable role the OAS can play when its member states so desire.

5. As we clearly told the OAS delegation, we reiterate that the full nationalization of the Panama Canal, which is established in the treaties, is an irreversible decision. We also reiterate that we will respect the FDP's institutional integrity, because our homeland needs the FDP to carry out its professional and honorable mission as defined by our Constitution. We will also respect the personal and professional dignity of public employees, for whom we will promote the administrative career system. We believe public employees serve the nation, not those who lead the government. We do not want revenge. We want the reconciliation of all Panamanians with justice, freedom, and democracy, so that we can begin our national reconstruction in unity.

We are struggling to free ourselves from Gen Noriega's dictatorship. We are struggling for the recognition of our people's right to self-determination as expressed on 7 May. We will continue that struggle and will not surrender.

Panama City, 30 May 1989

Guillermo Endara, president-elect

Ricardo Arias Calderon, first vice president-elect

Guillermo Ford, second vice president-elect

CONEP To Recognize Endara Victory

PA0706025589 Panama City Telemetro Television
in Spanish 2300 GMT 6 Jun 89

[Text] Panama's National Council of Private Enterprise [CONEP] plans to publicly recognize Guillermo Endara Galimany as the president of the Republic. CONEP organizations, their boards of directors, and their former presidents will meet with the Civic Democratic Opposition Alliance on 9 June for a dinner at 1930 at the Marriott Hotel. The event is termed a businessmen's dinner in honor of the president and vice presidents elected by the will of the people. In a news release, CONEP's public relations office said Endara, Ricardo Arias Calderon, and Guillermo Ford were invited. The program will begin with a speech by CONEP President Alberto Boyd.

Legislator Rejects Constituent Assembly Formula

PA0606154989 Panama City Circuito RPC Television
in Spanish 2300 GMT 5 Jun 89

[Interview with Carlos Arellano Lennox, Christian Democratic Party (PDC) legislator, by unidentified reporter; date and place not given—recorded]

[Text] [Arellano] The only specific and constitutional way to solve the current crisis is by recognizing the Panamanian people's sovereignty. Any other formula would be unconstitutional, in violation of the Constitution and the Panamanian people's will.

I have not seen any specific formula. Many formulas have been presented, but no one focuses on any of them. A formula to solve the country's crisis must definitely contain as the main element—as the OAS foreign ministers have stated—a formula to transfer power to those who truly and legally won the 7 May elections.

The other issues can be resolved later. For example, the withdrawal of the Panama Defense Forces commander in chief is something that can be discussed and arranged. No one wants to humiliate him or his institution.

Concerning a political solution to our country's crisis, we reiterate that a solution is the recognition of the people's triumph—I would not even say the triumph of the Civic Democratic Opposition Alliance—but the people's triumph in the 7 May elections.

[Reporter] What can you tell us about the formation of a constituent assembly, as some National Liberation Coalition parties have suggested?

[Arellano] That is an unconstitutional formula. It would definitely be a coup d'etat. Those parties can propose that if they wish, but I want to state here that such a solution would again flout the people's will.

Opposition Seeks Action From OAS

FL0606002089 Bridgetown CANA in English
2052 GMT 3 Jun 89

[Text] Port-of-Spain, Trinidad, June 3, CANA—Aurelio Barria, founder of Panama's opposition alliance, ADO-Civilista, believes the Organisation of American States (OAS) might have to use peace-keeping forces to ensure democracy in troubled Panama. Barria is in Trinidad this weekend drumming up support for the removal of Panamanian leader, General Manuel Noriega, before the OAS holds a special session on June 5 to consider a report on the Central American state. The report is being prepared by a three-country team consisting of foreign ministers from Trinidad and Tobago, Ecuador, and Guatemala who visited Panama a week ago.

Barria, currently based in Miami, is visiting Trinidad and Tobago and Barbados, to stress his point that, as democratic countries, the Caribbean must now stand against Noriega who nullified general elections on May 7. Barria said the OAS team was handed electoral figures which showed that 75 per cent of the Panamanian population came out to vote and that his opposition had a three to one margin of victory from the poll. "They (the OAS) have to consider whether to recognise the democratic will of the Panamanian people expressed on an election nullified by Noriega or ignore the action taken by Noriega and the abuses to the electoral process," Barria told a Friday news conference in Port-of-Spain. "They are in a very important position because they already condemned Noriega for the abuses in the electoral process. Now the thing is—once you find the evidence...what would you do about it?" Barria asked.

"What we expect is probably another strong voice from the OAS to Senor Noriega that the transfer of power is necessary, the best way is the non-violent means and that he is responsible for participation in any negotiations...he is responsible...as such, he must negotiate with the opposition," Barria said. "He (Noriega) is the centrepiece of the crisis." "If he doesn't do that, the OAS is free to ask for the strong measures, measures that would isolate the Noriega regime, measures that will make Noriega reconsider his position of nullifying the election and measures that could allow the possibility of sending a...peace-keeping force," Barria suggested.

He referred to the body as a military one to keep peace and order in Panama during the transition of power. Barria met over the weekend with minister in Trinidad and

Tobago Prime Minister A.N.R. Robinson's office, Margaret Hector; house Speaker, Nizam Mohammed; Senate president, Michael Williams; opposition leader, Patrick Manning; and Trinidad and Tobago Human Rights Association president, Ramesh Lawrence Maharaj.

The ADO-Civilista is a merger of political groups, lawyers, students, teachers, and church organisations in opposition to Noriega's rule. Barria said that democratic leaders in the Caribbean needed to follow up their call for the expression of popular will in elections. "Democratic leaders of the hemisphere such as Prime Minister Robinson, who believe in freedom, democracy, and human rights, cannot be silent and ignore and cannot condone the oppressive dictatorship of General Noriega," Barria told reporters.

Barria said that the most important thing the OAS mission had managed had been to receive the evidence of the May 7 vote. Barria claimed the OAS mission failed in terms of persuading Noriega to engage in dialogue with the Panamanian opposition. Trinidad and Tobago must understand that Noriega is not a person who respects human rights, and, as such, Noriega cannot be condemned. He has to be singled out and he has to be penalised for what he has done," Barria said.

Arias Calderon Deemed Obstacle to Agreement
PA0206185289 Panama City MATUTINO in Spanish
1 Jun 89 p 4

[Editorial: "The Intransigence of One Prevents an Agreement by All"]

[Text] Despite the secrecy and discretion surrounding the talks being held among the groups interested in solving the crisis, certain facts indicate that it is possible to reach a national agreement leading to the solution the people long for.

In fact, more than one proposal has been made, which shows the desire of some of these groups to participate in a sincere dialogue in which proposals and counterproposals could be made. This could help us reach an agreement that could settle the current differences.

According to the rumors, some of which come from reliable sources, the ADOC [Civic Democratic Opposition Alliance] and COLINA [National Liberation Coalition] political parties may be willing to hold such a dialogue. The exception is the Christian Democratic Party [PDC], whose leader, Ricardo Arias Calderon, wants to become the undisputed leader of the opposition. His ambitions go so far that, according to reports, he intends that he alone hold talks with the leadership of the Panama Defense Forces [FDP]. Arias Calderon wants to decide the fate of the FDP, its top officers, and the entire country.

No one who has closely followed Arias Calderon's political career can be surprised by the arrogant stand taken by the kingpin of the PDC. His vain attitude evidently reflects his megalomaniac belief that he is destined, anointed by the gods of fate, to reign over large flocks that submissively surround him and blindly follow him.

In his thoughts, which are clouded by his insane desire to "leap" to heights that can be reached only through honorable and noble actions, Arias Calderon intends to erect a pedestal from which he can decide the fate of all those around him. He could not care less about the fate or opinions of those who were until yesterday his running mates in the political struggle. Panama has not been able to reach an agreement because of the PDC's unfounded stubbornness and arrogance.

We have pinpointed the person who has created obstacles for a peaceful and objective dialogue that could lead to an agreement for the entire nation. This person is the kingpin of the PDC, who wants to climb so high that he can see the day when he can sell Panama to the White House. He forgets, however, that this country will never allow itself to be sold. Ricardo Arias Calderon has been rejected by the people, because they know he once offered himself to the highest bidder in the international market and found well-known buyers just in time.

Duque Says PRD Does Not Represent Government
PA0306193589 Panama City Televisora Nacional
in Spanish 2300 GMT 2 Jun 89

[Text] Democratic Revolutionary Party [PRD] President Carlos Duque Jaen clarified today that the delegations his party has sent abroad obviously represent only the PRD. With that clarification, Duque forestalled media accounts to the contrary.

The PRD president said the delegations have been successful, because they publicized the U.S. aggression and hostility against Panama. Duque added that direct meetings with labor, student, and other organizations have helped counteract the harmful effects of the gigantic U.S. disinformation campaign that has been directed at the defenseless Panamanian people for almost 2 years.

In conclusion, Duque reiterated that the PRD delegations sent abroad represent neither the Panamanian Government nor the National Liberation Coalition but only the PRD.

PALA Spokesman Accuses PRD of Harassment
PA0306041389 Panama City MEDIODIA in Spanish
1 Jun 89 p 2

[Text] "It is high time that President Manuel Solis Palma put a stop to the persecution the Revolutionary Democratic Party [PRD] has unleashed against Labor Party [PALA] members since the elections, with increased harassment day-by-day," a high-ranking PALA spokesman told MEDIODIA today.

The spokesman was referring to several cases of dismissals, transfers, and persecution that have been reported to PALA leaders by members of that party who feel harassed.

For example, at the Rio de Jesus health center, the informants said that Facunda Reyna Montes, Maria Ortiz, Maria Gonzalez, Agripina Ruiz, and Zoraida Guerra have been victims of such persecution.

The same happened to PALA's Gladys Ortiz, of the National Lottery at Santiago de Veraguas. In Bocas del Toro, Reynaldo Lewis, who ran for legislator was fired by the governor simply because he was a PALA candidate.

How much longer, Mr President? Asked the PALA spokesman who added that things could get tough if PALA members who have employees under them imitated their PRD colleagues.

Church Responds to Government Criticism of Role
PA0306224589 Panama City ACAN in Spanish
1603 GMT 3 Jun 89

[Text] Panama City, 3 Jun (ACAN-EFE)—The Apostolic Nuncio's Office today issued a statement in response to the harsh official criticism and attacks against Panamanian Archbishop Marcos McGrath. The church countered that McGrath's critics, and particularly Legislator Rigoberto Paredes, have "a gift for slander."

"This is not the first time we have had to deny statements by Legislator Rigoberto Paredes, who, when explaining to the Legislative Assembly why Msgr McGrath has not been appointed cardinal, sacrilegiously attributed ill intentions to the sovereign pontiff," the statement continues.

Archbishop McGrath has been strongly criticized by Paredes, other government leaders, and the state-run media, which have made charges ranging from stating that McGrath is "the opposition's accomplice" to allegations that he is a "CIA agent" (the U.S. intelligence agency).

The statement issued by the nuncio, Spanish Archbishop Sebastian Laboa, also lashes out at "the critics of the Catholic Church and its sacred hierarchy, who assert that the pope is unaware of what is happening in Panama."

"I can state categorically that His Holiness knows about Panama's problems in detail, that he knows the slanderers of the Catholic Church by name, and that he also knows that even though they call themselves Catholic, these good pastors' critics place their personal interests and degrading passions above the Catholic faith."

The government media's attacks against McGrath worsened after the 7 May elections—which were annulled 3 days later—and particularly after the Panamanian Episcopal Conference issued statements and communiques critical of the regime and claiming that the opposition had won the elections by a landslide.

Last Sunday, during a eucharistic event attended by thousands, McGrath criticized the government, asked for an end to the violence and the "torture" of political prisoners, and criticized the Electoral Tribunal for having annulled the elections.

The progovernment media and (the state-run) Radio Nacional have accused the archbishop of being at the service of "U.S. imperialism" and being a "false Panamanian" because he was born in the defunct canal zone, the strip of land that cut the country in half and was formerly under U.S. jurisdiction.

In his statement, the nuncio asserts that "it is amazing to see how some people who are supposed to be Christians are so quick to disparage others and, without any scruples, to give full rein to their imaginations, saying the first thing that comes to mind as if they had absolute knowledge of truth and falsehood."

USIS Said 'Promoting Subversion' Through Mails
PA0506162289 Panama City MATUTINO in Spanish 5 Jun 89 p 5

[From the "Confidential Report" column by Roberto R. Rodriguez]

[Text] National and international postal services are for exchanging mail and should never be used for promoting subversion. How much longer is USIS going to use our postal services for sending sticks of dynamite in the form of words, lies, and slander with the purpose of manipulating and distorting the Panamanian truth and promoting hatreds?

SOUTHCAM Newspaper Termed 'Opposition' Paper
PA0606152789 Panama City LA ESTRELLA DE PANAMA in Spanish 6 Jun 89 p 14

[From the unattributed "The Griper" column]

[Text] The U.S. Southern Command's [SOUTHCAM] newspaper, THE TROPIC TIMES, publishes so many reports against Panama that it seems to be a newspaper of the opposition edited by U.S. soldiers.

Official Says Banking Operations 'Minimal'

PA0606035589 Panama City Circuito RPC Television
in Spanish 2300 GMT 5 June 89

[Interview with National Banking Association President Edgardo Lasso Valdes by unidentified reporter; date and place not given—recorded]

[Text] [Lasso] Unfortunately, the cancellation of the elections, which were regarded as a possible solution to the political crisis, has left the banks at an impasse. Although there is some movement in local and foreign banks, it is minimal. There is great anticipation here regarding resolution of the political crisis. As long as that is unknown, we expect banking operations to be almost at a standstill, for there is a lack of trust and confidence that the situation will return to normal and that there will be an economic recovery.

[Reporter] What factors do you feel will contribute to the revitalization of the banks and a restoration of trust?

[Lasso] I would say that the only thing necessary to revive the economy and to restore trust is to come to terms with the political situation once and for all. As long as political differences exist....[changes thought] On 1 September a new president must take office; it has not been decided how the transition will take place. There is much speculation and nothing to clearly indicate that the country is closer to finding a solution to the political crisis. As long as there is no solution, banks will continue to do what they are doing now—waiting.

Wives Seek Arrested Officers' Release

PA0306025589 Panama City ACAN in Spanish
2036 GMT 1 Jun 89

[Text] Panama City, 1 Jun (ACAN-EFE)—The wives of 20 Panamanian military officers arrested 15 months ago have asked Attorney General Carlos Villalaz for their release. The officers are accused of subversion for their participation in an aborted coup against General Manuel Antonio Noriega.

After a 3-hour meeting with Villalaz, Mayra de Benitez, wife of Major Jaime Benitez, stated that they had asked Villalaz for their husbands "immediate release," as "these officers had already paid for their offense, according to Law 20," which regulates Panamanian military activities.

Mrs Benitez stated that Law 20 stipulates sentences that range from only 1 day to 1 year in prison for the crime of subversion.

A group of Panamanian military officers, headed by Colonel Leonidas Macias, attempted to oust Defense Forces Commander Gen Noriega on 16 March 1988. Units loyal to the military commander managed to thwart the coup.

"We have been pressured by officials; our telephones have been tapped; and we are being watched," Mrs Benitez added, "but our position has nothing to do with political parties."

Edna de Quezada, wife of Major Fernando Quezada, said that Villalaz "only listened to them" and then promised to give them an answer within 8 days. Maj Quezada was one of the leaders of the aborted coup against Noriega.

In addition, Rita Sitton de Fundora, wife of Major Santiago Fundora, stated that Fundora "is in bad condition, but his morale is high."

According to relatives, the officers are held in the Modelo Penitentiary in Panama City and can be visited once a week for an hour.

Legislators Issue Bill on PPC Appointment

PA0306040289 Panama City LA ESTRELLA DE
PANAMA in Spanish 2 Jun 89 pp A-1, B-4

["Navas-Giraud Bill" issued by Legislators Luis Navas and Hugo Giraud to establish a procedure to elect the Panamanian administrator of the Panama Canal Commission—date and place of issuance not given]

[Text] Bill 42:

The current bill establishes a procedure for choosing the Panamanian administrator of the Panama Canal Commission [PCC] and dictates a number of other measures.

The Legislative Assembly decrees:

Article 1: In fulfillment of Article 3 of the Torrijos-Carter Treaties, Panama should present to the U.S. Government the name of a Panamanian citizen who will be appointed as PCC administrator. The name of that citizen must be proposed by the Panamanian Legislative Assembly and approved by an absolute majority of its members.

Article 2: The Panamanian PCC administrator can be dismissed by the Panamanian Executive Branch.

Article 3: To become the PCC administrator, the candidate must be a native-born Panamanian citizen, be at least 35 years old, never have been sentenced to prison by the Judicial Branch, and have a properly proven professional ability to do the work.

Article 4: The Panamanian PPC administrator will safeguard Panamanian interests, see to the strict fulfillment of the Torrijos-Carter Treaties, and keep the Panamanian Executive and Legislative Branches permanently informed of the fulfillment of his responsibilities.

Article 5: The document nominating candidates must be presented by legislators or civic, social, labor, or political organizations to the Legislative Assembly Credentials, Regulations, and Interior Justice Committee, according to procedures and within the period that this committee will establish and that the Legislative Assembly will publicly announce.

Article 6: This committee will examine the candidates' credentials and verify the information presented in favor or against them with absolute respect for their persons.

Article 7: The reports presented by the Legislative Assembly committee to the plenum of the Assembly will be examined at a private, plenary meeting, prior to the public session during which the voting will take place. The committee will present each candidate, who must have been previously approved by the plenum, and a committee member will present a 5-minute defense of the candidacy. The plenum of the Assembly will then proceed to the voting process, and the PCC administrator will have to be elected by an absolute majority.

During the private session, the Legislative Assembly can accept the proposed candidate by a simple majority.

If the proposed candidate is rejected, the committee will present a new candidate within an established period of time.

Article 8: Before the Panamanian Executive Branch presents the names of the Panamanian members of the PCC Board of Directors to the U.S. Government in accordance with Article 3 of the Torrijos-Carter Treaties, the Legislative Assembly will have to ratify them by an absolute majority through the procedures established by Article 194 of the internal Legislative Assembly regulations.

Article 9: The Executive Branch must be authorized to deliver to the UN and OAS Secretariats General a copy of the note sent to the U.S. Government presenting the candidate to be appointed PCC administrator in accordance with Article 3 of the Torrijos-Carter Treaties and the current law.

Article 10: This bill will enter into effect on the day of its promulgation.

To be promulgated and executed.

Bill proposed to the Legislative Assembly by honorable legislators Luis Navas and Hugo Giraud on 31 May 1989.

Honorable Legislator Luis Navas
Electoral District 3-1

Honorable Legislator Hugo Giraud
Electoral District 9-3

Government Criticizes Canal Toll Increase

PA0506184089 Panama City CRITICA in Spanish
5 Jun 89 pp 1, 23

[Text] The Panamanian Government this weekend warned that the U.S. unilateral approval of an increase in canal toll rates will have negative effects on trade and international relations for countries using the canal, especially those in Latin America.

On 1 June, the five U.S. members of the Panama Canal Commission Board of Directors unilaterally approved a 9.8-percent increase in the toll rate for 1990, alleging the increase served to compensate for the inflation rate's effect on canal operating costs.

The Panamanian Government has protested this measure, bearing in mind that millions of tons of raw materials and semifinished and unfinished products pass through the canal from Latin American countries to the rest of the world and vice versa, not to mention the traditional amount of vessels transiting the canal year round.

Statistics from the current decade confirm that high percentages of imports and exports from countries such as Peru, Ecuador, Venezuela, Colombia, and Chile pass through the Panama Canal. The canal is thus an important factor in Latin American foreign trade, especially for trade routes serving South America's western coast.

These issues have been explained before international organizations such as the United Nations, the OAS, the Latin American Economic System, the Latin American Association of Shipowners [Asociacion Latinoamericana de Armadores], and others.

Recently, in late 1988, the Inter-American Economic and Social Council [Consejo Interamericano Economico y Social] approved a resolution that was later adopted in its entirety by the OAS General Assembly meeting in El Salvador. The resolution stated that "increasing the canal toll rate in 1990 would affect the competitiveness of the regional countries' export products, especially in terms of several basic products whose prices have already dropped on the international market."

Because the countries in the region find it absolutely necessary to use the canal, given their geographic position, the aforementioned organizations asked the U.S. Government to abstain from increasing tolls. Such an increase would have an adverse effect on these countries' foreign trade because of the region's serious economic situation.

The increase in canal tolls approved by the U.S. delegation goes into effect October 1989.

U.S. persistence in continuing actions that could politicize debates on matters regarding the canal motivated the decision by the Panamanian members not to participate in the 1 June 1988 meeting.

The Panamanian board members did not obtain the necessary visas for Panama's official delegation; the U.S. Government insisted on the participation of people who do not represent any of the two nations; the secretary of the board of directors made statements before the U.S. Senate in violation of the canal treaties; and there were sudden changes in the venue of meetings to places with high levels of hostility toward Panama's delegation.

The new canal tolls unilaterally approved by the U.S. delegation seeks to compensate inflationary effects on the canal operation costs.

The argument lacks total validity because in the past 24 months the U.S. Government has enforced and increased coercive measures and policies of war against Panama that have permitted the deployment of troops which exceed the number agreed upon in—and for purposes contrary to—the 1977 treaties.

Since the agreements were implemented, in addition to the aggression, the U.S. Government has whimsically interpreted the regulations and has regarded as operational expenses various items not linked to the management, operation, and maintenance of the waterway. Among the many examples are the educational and health services paid to the U.S. Armed Forces.

The capricious addition of these items to the operational expenses budget means these expenditures will in turn be financed by the Latin American merchant navy and regional consumers and producers, thus passing on a responsibility that pertains exclusively to the United States, which is attempting to turn such expenses into a heavy burden for the Panama Canal users.

The tolls policy is a sensitive component in maintaining the Panama Canal's competitive advantage over other alternatives and transportation means. However, such a component should not be subject to unilateral decisions, because it is necessary to show an interest in implementing technology for efficient transportation to fulfill its mission for the benefit not only of the United States but of commerce and international relations of all countries of the world.

Legislators Issue Bill on PCC Appointment

PA0306040289 Panama City LA ESTRELLA DE PANAMA in Spanish 2 Jun 89 pp A-1, B-4

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The Legislative Assembly decrees:

Article 1: In fulfillment of Article 3 of the Torrijos-Carter Treaties, Panama should present to the U.S. Government the name of a Panamanian citizen who will be appointed as PCC administrator. The name of that citizen must be proposed by the Panamanian Legislative Assembly and approved by an absolute majority of its members.

Article 2: The Panamanian PCC administrator can be dismissed by the Panamanian Executive Branch.

Article 3: To become the PCC administrator, the candidate must be a native-born Panamanian citizen, be at least 35 years old, never have been sentenced to prison by the Judicial Branch, and have a properly proven professional ability to do the work.

Article 4: The Panamanian PPC administrator will safeguard Panamanian interests, see to the strict fulfillment of the Torrijos-Carter Treaties, and keep the Panamanian Executive and Legislative Branches permanently informed of the fulfillment of his responsibilities.

Article 5: The document nominating candidates must be presented by legislators or civic, social, labor, or political organizations to the Legislative Assembly Credentials, Regulations, and Interior Justice Committee, according to procedures and within the period that this committee will establish and that the Legislative Assembly will publicly announce.

Article 6: This committee will examine the candidates' credentials and verify the information presented in favor or against them with absolute respect for their persons.

Article 7: The reports presented by the Legislative Assembly committee to the plenum of the Assembly will be examined at a private, plenary meeting, prior to the public session during which the voting will take place. The committee will present each candidate, who must have been previously approved by the plenum, and a committee member will present a 5-minute defense of the candidacy. The plenum of the Assembly will then proceed to the voting process, and the PCC administrator will have to be elected by an absolute majority.

During the private session, the Legislative Assembly can accept the proposed candidate by a simple majority.

If the proposed candidate is rejected, the committee will present a new candidate within an established period of time.

Article 8: Before the Panamanian Executive Branch presents the names of the Panamanian members of the PCC Board of Directors to the U.S. Government in accordance with Article 3 of the Torrijos-Carter Treaties, the Legislative Assembly will have to ratify them by an absolute majority through the procedures established by Article 194 of the internal Legislative Assembly regulations.

Article 9: The Executive Branch must be authorized to deliver to the UN and OAS Secretariats General a copy of the note sent to the U.S. Government presenting the candidate to be appointed PCC administrator in accordance with Article 3 of the Torrijos-Carter Treaties and the current law.

Article 10: This bill will enter into effect on the day of its promulgation.

To be promulgated and executed.

Bill proposed to the Legislative Assembly by honorable legislators Luis Navas and Hugo Giraud on 31 May 1989.

Honorable Legislator Luis Navas

Electoral District 3-1

Honorable Legislator Hugo Giraud

Electoral District 9-3

Government Communique on New School Year

PA0406230889 Panama City Domestic Service
in Spanish 2231 GMT 4 Jun 89

[Communique issued by Presidential Press Secretariat in Panama City on 4 June]

[Text] On the occasion of the beginning of the 1989 school year, Manuel Solis Palma, head of the Executive Branch, wishes to express to the community his great interest in the opening of the school year, particularly in public schools, because education is highly important and valuable to students of humble origin, to those who attend the state-run schools.

The nation's chief executive hopes that this school year will proceed normally and efficiently. For this reason, the chief executive broadly supports the education minister's statements regarding the development of the school year and the order that must prevail in all educational institutions. He expects that principals, teachers, professors, parents, and guardians will place educational interests above any political position.

Panama, 4 June 1989

Presidential Press Secretariat

Education Ministry Warns Against Student Disorders

PA0606034589 Panama City Televisora Nacional
in Spanish 2300 GMT 5 Jun 89

[Text] About 603,927 students and 26,814 teachers throughout the country began classes today with the enthusiasm everyone feels at the beginning of the new school year. The Education Ministry has ordered flexibility in the use of uniforms, school materials, and textbooks, among other things, for the new school term begun today in 4,488 private and public schools. This is to allow students of low-income brackets to attend classes and take full advantage of their studies.

Education Minister Rolando Murgas Torrazza also reiterated his appeal to the students and professors to strive for the normal development of the school term, uninterrupted until its conclusion. Toward that effect, it was noted that the authorities will close schools at which students stage disturbances.

The University of Panama also began classes today in its various schools throughout the country. Since early this morning thousands of students of primary, secondary, and university levels were seen waiting for transportation at bus stops to reach their respective schools. Some have noted the need for more public buses to guarantee quicker and more efficient service. Parents who accompanied their children on the first day of school voiced the hope that the school term begun today will end successfully.

FDP Antiterror Unit Celebrates Anniversary

PA0506222389 Panama City Television Service
in Spanish 1530 GMT 4 Jun 89

[Editorial from the weekly Panama Defense Forces "Everything for the Homeland" program: "Nine Years of Improvement in the Special Antiterror Service Unit"]

[Text] The Panama Defense Forces [FDP] have grown and increased their level of efficiency, in view of the challenge posed by low-intensity conflicts, and to simultaneously cover all the vital fields a modern military organization should cover.

On 6 June, the Special Antiterror Unit, UESAT, will celebrate its 9th anniversary. Inspired in leadership and orientation by General Manuel Antonio Noriega, UESAT has trained constantly for 9 years. UESAT's mission to fight all forms of terrorism makes it an elite group that can be compared to the best of its kind in Latin America.

Trained for rapid and precise incursions regardless of how difficult the situation, UESAT protects citizens and goods from terrorist situations. UESAT's units are inspired by the mysticism of duty and with the satisfaction of a mission that has been fulfilled despite all the risks and danger.

Although young, UESAT has earned prestige as a modern unit that has adjusted to the demands of our time. UESAT's men are not subject to a fixed schedule. They work day and night, because their tasks are complex and because they respond to plans in which mental ability, initiative, and intelligence reports are combined.

UESAT is a shield to protect institutional and national security, especially in countries under attack, which are subject to destabilization and criminal actions.

On several occasions, more than a few brains sick with arrogance have studied specific plans to attack the FDP leadership as part of their plan to dismantle the institution and abrogate the Torrijos-Carter treaties. UESAT's dexterity, however, has persuaded them not to carry out their plan. They know we are on our guard. They also know that we are not locked into traditional plans from last century, but that we have evolved to be ready to face all threats.

The process for national development is not as clearly seen in any other Panamanian Government sector as it is within the FDP. National security is a vital field in preserving sovereignty and Panama's territorial integrity.

UESAT is another inexpugnable bastion in our people's struggle. UESAT is progress. It responds to the speed of a world in which seconds are the difference between victory and defeat.

On this, the 9th anniversary of UESAT, the silent, taunt, agile members of UESAT look after the threatened homeland. Always united and at the vanguard at crucial moments, UESAT fulfills its silent task with a highly praiseworthy spirit of discipline.

These are the chosen men, the predestined men of our resistance, who increasingly strengthen our trust that the enemy will not succeed in its infamous design to subjugate and enslave our homeland.

The Everything for the Homeland program sends special greetings to Captain Ramon Diaz and his loyal men, who would surrender their lives for Commander in Chief Noriega, the FDP, and their homeland.

Labor Ministry's Resignation, Dismissal Data
PA0406023289 Panama City Telemetro Television
in Spanish 2300 GMT 1 Jun 89

[Summary] According to a Panamanian Labor Ministry report, labor authorities have not authorized dismissals for economic reasons. The Labor Ministry reported that 2,091 people have resigned, while 1,948 others have been dismissed within the first 5 months of 1989.

The Labor Ministry report adds that 33 percent of the 74 companies that are under investigation have normalized their labor situation, while the remaining 67 percent continue to be affected by the economic crisis.

Omar Torrijos Herrera Battalion Receives Rifles
PA0406041889 Panama City Televisora Nacional
in Spanish 2300 GMT 3 Jun 89

[Text] After an outdoor mass and a ceremony held at the parade grounds in Santiago City, Veraguas Province, Military Region No 3—which is commanded by Major Miguel Aleman Mendoza—all members of the Omar Torrijos Herrera Dignity Battalion received their rifles.

Lieutenant Guillermo Avila, Omar Torrijos Herrera Battalion coordinator, and Battalion Commander Orlando Cogley spoke at the ceremony. The Omar Torrijos Herrera Battalion members of Veraguas Province took an oath of loyalty to the homeland and expressed their willingness to give up their lives if necessary to defend it.

Ports Servicing More Ships; Rates Reduced
PA0506162889 Panama City CRITICA in Spanish
1 Jun 89 p 9

[Summary] The Panamanian National Port Authority has indicated that we have serviced 420 more ships during the 1st 3 months of 1989 than in the same period last year, when our country was subjected to heavy U.S. aggression. Cargo in transit or to be transferred to another ship increased 473 percent during the 1st 3 months of 1989 compared to the same period last year. These figures reflect the increased productivity of our ports and showed that the incentive of reducing the service rates attracted more cargo.

Regarding containers, Panamanian ports have moved 57,000 metric tons during the 1st quarter of 1989.

Executive Branch Dismisses Consuls
PA0606153089 Panama City MATUTINO in Spanish
6 Jun 89 p 7

[Text] Through Decree 88, dated 2 June 1989, the Executive Branch has dismissed Lorenzo Buchellatt and Enrico Martellini as Panamanian honorary consuls general to the Italian cities of Milan and Florence, respectively.

The decree is signed by President Manuel Solis Palma and Foreign Minister Jorge Eduardo Ritter.

Soviet Official To Discuss Moscow Consulate
PA0606234689 Panama City LA ESTRELLA DE PANAMA
in Spanish 6 Jun 89 p A-4

[From the "Names and Events" column]

[Text] (Yuriy Visloausof), the Soviet Embassy's economic and commercial attache in Costa Rica, arrived in our capital yesterday to discuss with Panamanian authorities the upcoming opening of a Panamanian commercial consulate in Moscow, in keeping with previously signed accords. The name of the person assigned the important task of heading that consulate will be announced in the next few days.

Aeroflot Proposes Establishment of Offices
PA0406130789 Panama City Telemetro Television
in Spanish 2300 GMT 1 Jun 89

[Text] Bernardo Dominguez of IPAT [Panama Institute of Tourism] reports that the Soviet Aeroflot enterprise proposed to IPAT the establishment of tourist offices in Panama to bring European and Soviet tourists to Panama, to compensate for the loss of U.S. tourism here:

[Begin recording] [Dominguez] Panama is currently looking for ways to increase European tourism. We have held several meetings with Netherlands and Belgium groups to discuss that possibility. Today we met with Aeroflot representatives. They expressed their desire to fly to Panama, not only as a cargo airline but as a commercial airline.

Moreover, between December and April [dates not further specified], we plan to bring groups of Canadian tourists, who will be brought by [word indistinct]. Approximately 100 tourists will come every week over an 18-week period.

[Reporter] We would like you to be more specific on your meeting with the Aeroflot representatives, Mr Dominguez.

[Dominguez] Aeroflot is studying the Panamanian market. The Aeroflot representatives paid us a courtesy visit, because, for this kind of enterprise, they must talk with the local tourist organizations in addition to Civil Aeronautics authorities. We met with two Aeroflot representatives. They requested a copy of the Panamanian tourist regulations to study the possibility of establishing a travel agency here in Panama. They also asked us for

names of local travel agencies to meet with their representatives to try to introduce European tourism into Panama through those agencies. [end recording]

Relations Established With United Arab Emirates
PA0606015089 Panama City LA REPUBLICA
in Spanish 5 Jun 89 p 2

["Joint Communique" issued by the Panamanian and United Arab Emirates Governments; date and place not given]

[Text] Based on a common desire to strengthen and develop friendly and cooperative relations between their two countries, the Governments of the Republic of Panama and the United Arab Emirates have decided to establish diplomatic relations at the ambassadorial level, effective 5 June 1989.

New Japanese Military Attache Meets Noriega
PA0506201589 Panama City Television Service
in Spanish 1530 GMT 4 Jun 89

[From the Panama Defense Forces Program "Everything for the Fatherland"]

[Text] On the morning of 31 May, Colonel (Fumio Yamasaki), new Japanese military attache to Panama, was officially introduced to Panamanian General Manuel Antonio Noriega and the members of his General Staff. (Yamasaki) replaces Colonel (Tadashi Asegagua) in the diplomatic post.

During the ceremony held at Gen Noriega's office, Col (Asegagua) was decorated with a 1st-class distinguished service medal in recognition of his contribution to strengthening friendly ties between Japan and Panama during his 3 years of military mission in Panama.

Gen Noriega emphasized the work done by Col (Asegagua) and wished him good luck in his new military mission. Gen Noriega also welcomed new Japanese Military Attache Col (Yamasaki), who worked at the Japanese Land General Staff intelligence department in Tokyo before being sent to Panama.

Panamanian Colonels Marcos Justines, Alberto Purcell, Julio Ow Young, and Guillermo Wong, and Lieutenant Colonels Theodore Alexander and Carlos Arosemena King also attended the ceremony.

Before returning to Japan, Col (Asegagua) was honored with a warm reception hosted by Japanese Ambassador to Panama Junpei Kato. Various military attaches and their distinguished wives headed by Col Sergio Pineiro Garcia, president of the Military Attaches Association, accompanied the (Asegagua's) during the reception.

Argentina

Menem Names Future National Secretaries

PY0606172089 Buenos Aires NOTICIAS ARGENTINAS
in Spanish 1254 GMT 6 Jun 89

[Text] La Rioja, 6 Jun (NA)—It was officially reported here that President-elect Carlos Menem this morning named Felipe Sola, current Buenos Aires Province agriculture secretary, as future national agriculture, livestock, and fishing secretary; and journalist Juan Bautista Yofre as future chief of the Secretariat for State Intelligence (SIDE).

Menem's spokesman Humberto Toledo told NA that after a meeting last night between Menem and Mendoza Province Governor Jose Bordon, "the president-elect (?reiterated) that Bordon and Julio Cesar Araoz would continue as designated public works and services minister and energy secretaries respectively.

Bordon Declines Menem's Cabinet Offer

PY0706012389 Buenos Aires TELAM in Spanish
2202 GMT 6 Jun 89

[Text] Buenos Aires, 6 Jun (TELAM)—Mendoza Governor Jose Bordon tonight confirmed that he has turned down the post of public works minister offered to him by President-elect Carlos Menem.

Bordon made the announcement at a news conference held in the Mendoza gubernatorial building.

Justicialist Party Bloc Leader Resigns

PY0606023889 Buenos Aires NOTICIAS ARGENTINAS
in Spanish 0043 GMT 6 Jun 89

[Text] Buenos Aires, 5 Jun (NA)—Deputy Jose Luis Manzano tonight submitted his resignation as president of the Justicialist Party bloc in the Chamber of Deputies. He made this decision so that Carlos Menem is free to reorganize the party's congressional blocs.

Communist Leader Blames Government for Crisis

PY0606172489 Buenos Aires DYN in Spanish
2218 GMT 5 Jun 89

[Text] This afternoon, Patricio Echegaray, the Argentine Communist Party (PCA) secretary general, said that "a hypocritical government and several Peronist leaders have just realized that millions of Argentines are going hungry. That is why food supplies are being distributed."

PCA leader Echegaray, who is also a former deputy candidate, said: "This social breakdown is the result of a criminal economic policy, which benefited a privileged few but which drove people to desperate situations and submerged millions in poverty."

Echegaray added: "This plundering is agitating the Argentine people. Now they are trying to blame the left for what is taking place. During the election campaign, however, only the United Left demanded urgent measures to avoid this social breakdown."

Foreign Minister-Designate on Policy Issues

PY0606214389 Buenos Aires NOTICIAS ARGENTINAS
in Spanish 1210 GMT 6 Jun 89

[Text] Buenos Aires, 6 Jun (NA)—Foreign Minister-designate Domingo Cavallo today said that the Peronist government's foreign policy will be based "on a good combination of the party traditions" and "new world realities." Cavallo said that Argentina will continue its membership in the Nonaligned Movement and the Group of Six for Peace and Disarmament.

He said that Argentina must join "the only world that exists, since humanity must be united."

Cavallo said that "Argentina must have the will to become an increasingly developed and rich country, but it must not make the mistake of the new rich, who forget about poor neighbors."

In separate remarks to Radios Mitre and Continental, Cavallo said that "investments will undoubtedly come mainly from the industrialized countries which have more capital."

He added, however, that "trade possibilities and cultural exchanges take place with countries worldwide."

He said that the Nonaligned Movement and the Group of Six are "different forums where the country is represented. They are countries of the south and of the Third World." He said that in foreign policy "one must not look only in one direction."

Menem's foreign minister-designate Cavallo added that the Justicialist Party "has been distinguished by being a forerunner of what was later called 'Nonaligned Movement,'" but admitted that "it has also been set apart by being pragmatic."

"Relations with the developed world are essential today to solve our economic and social problems," Cavallo said. He added that Argentine foreign policy is based on "a good combination of traditions and new world realities."

Judge Imprisons 5 Workers Party Leaders

PY0606004689 Buenos Aires TELAM in Spanish
2223 GMT 5 Jun 89

[Text] Buenos Aires, 5 Jun (TELAM)—Moron Federal Judge Gerardo Larrambeere this afternoon ordered the preventive imprisonment of Workers Party [PO] leaders Jorge Altamira, Gregorio Flores, Catalina Guagnini, Christian Rath and Pablo Rieznick, who face charges of alleged involvement in recent acts of violence.

Juan Carlos Capurro, the PO legal representative, gave the above report to newsmen outside the Moron Court. He said that tomorrow the defense lawyers will request the release of their clients.

Lifts Closure of Party Office

PY0606195989 Buenos Aires NOTICIAS ARGENTINAS
in Spanish 1602 GMT 6 Jun 89

[Text] Buenos Aires, 6 Jun (NA)—Moron Federal Judge Gerardo Larrambeber has lifted the court ruling that closed all Workers Party [PO] offices in the federal district and the Greater Buenos Aires area. Judge Larrambeber has also embargoed all properties belonging to PO leaders for a total worth of 150,000 australes each.

Furthermore, Larrambeber has established that the findings of the investigation in this case can be released to the public.

This court decision affects PO leaders Jorge Altamira, Gregorio Flores, Catalina Guagnini, Pablo Rieznik, and Christian Rath.

Orders Party Leaders Free

PY0706022789 Buenos Aires TELAM in Spanish
2148 GMT 6 Jun 89

[Text] Buenos Aires, 6 Jun (TELAM)—Moron Federal Judge Gerardo Larrambeber today ordered the release of five Workers Party [PO] leaders who were arrested in connection with last week's incidents in the Greater Buenos Aires area. This announcement was made by court Secretary Varela.

It was reported that the court decision does not mean that the case has been closed and that the five PO leaders will be released at Federal Police Headquarters.

The above information was given to the press shortly after 1830 by PO legal representative Juan Carlos Capurro, who was released last Sunday.

The five PO leaders who are being released today are: Altamira, Flores, Rieznik, Guagnini, and Rath.

Martinez Foresees More Public Order Disruption

PY0606132589 Buenos Aires NOTICIAS ARGENTINAS
in Spanish 1217 GMT 6 Jun 89

[Text] Buenos Aires, 6 Jun (NA)—Argentine Vice President Victor Martinez said this morning that the government "foresees the possibility" that "more disruptions of public order could take place." He was referring to the recent wave of looting in supermarkets.

Changing the subject, Martinez said that "there is nothing forcing" the government to hand over power to the Justicialist Party; therefore "for the time being, we will remain here until 10 December," Martinez added.

The vice president made these statements in Government House after his usual Tuesday meeting with President Raul Alfonsin.

Six More People Arrested Under State of Siege

PY0606011589 Buenos Aires TELAM in Spanish
2200 GMT 5 Jun 89

[Text] Buenos Aires, 5 Jun (TELAM)—It has been officially reported that the Executive Branch has ordered the arrest of six people for engaging in actions connected with the declaration of the state of siege.

By decree No 772, the Executive Branch ordered the arrest of Miguel Lujan Monzon, identification document No 13,169,143; Pedro Morel, identification document No 5,759,441; and of Roberto Ruiz Diaz, identification document No 12,113,798. The following people were arrested by virtue of decree No 771: Gustavo Alfredo Chaya, identification document no. 21,114,662; and Hector Fabian Medina, identification document No 21,747,447.

Finally, through decree No 766, the Executive Branch ordered the arrest of 31-year-old Julio Agustin Quinteros, identification document No 13,203,270.

In the decrees the Executive Branch states that "it is the national government's prime responsibility to consolidate internal peace, to ensure tranquillity and public order and to preserve the guiding interests of the republic." The Executive Branch states that the arrest of these people was ordered because "their activities are related to the declaration of a state of siege."

Domestic Security Committee Views Disruptions

PY0606215289 Buenos Aires NOTICIAS ARGENTINAS
in Spanish 1618 GMT 6 Jun 89

[Excerpt] Buenos Aires, 6 Jun (NA)—A high-ranking military source, closely linked to intelligence activities, has stated that the main objective of the agitators and extremists who promoted last week's disturbances is to oust the current government administration, and to prematurely undermine the prestige of the president-elect and of the future administration at the international level.

The source added that "splinter groups" from some leftist parties, the Peronist party, and the Radical Civic Union [UCR] coordinating board have been detected among the agitators.

The sources stated that these are "splinters" from these three political trends. It added that the implementation of the state of siege is an "adequate" measure to neutralize the activities of these sectors.

The source also said that police and security forces must intensify their activities to avoid new disturbances which, according to military intelligence, will reappear

during the second half of June. It is also believed that there will be a change in the violent methods that have been used, in that attacks will be perpetrated against public figures, police buildings, and public services.

One of the three or four theories that have been studied by the government upholds that last week's disturbances were merely "exercises" and that they will be followed by a period of calm.

However, this theory, which was explained by a government spokesman, contradicts the theory on the previous attacks [against the institutions]. According to this source "the recent disturbances were successful because of their low social cost, whereas the attacks were repudiated by society."

These views were discussed today by the Domestic Security Committee which met at Government House and which was attended by Defense Minister Horacio Jaunarena; Brigadier Teodoro Waldner, chief of the joint staff; and Vice Admiral Barry Hussey, retired, the Security Council secretary. [passage omitted]

Army To Hold Exercises in Greater Buenos Aires
PY0606195789 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1226 GMT 6 Jun 89

[Text] Buenos Aires, 6 Jun (NA)—The Army Staff has reported that military exercises will be carried out today and tomorrow. It added that troops will be deployed throughout the Greater Buenos Aires area during these exercises.

Herewith the Army General Staff communique:

"Troops from the 10th Mechanized Infantry Brigade will be deployed in scheduled military exercises to be held on 6 and 7 June."

"The troops will be deployed from La Tablada and Pablo Podesta to Campo de Mayo. They will return to La Tablada and Pablo Podesta on the evening of 9 June."

It adds: "This information is supplied to avoid any alarm among the population."

INDEC Reports Economic Trade Indicators
PY0606211889 Buenos Aires TELAM in Spanish 1529 GMT 6 Jun 89

[Text] Buenos Aires, 6 Jun (TELAM)—The National Institute of Statistics and Census (INDEC) reported this afternoon that the Argentine trade surplus from January to March 1989 stood at \$948 million. The 1989 surplus was 71.4 percent higher than that registered in the same period in 1988, which stood at \$533 million.

The official report explains that the March 1989 exports totaled \$750 million and were 23.8 percent higher than the March 1988 exports.

INDEC also reported that in March 1989 the imports stood at \$454 million, 8.1 percent higher than the March 1988 imports.

Bolivia

Daily Publishes Graph of Final Official Vote
PY0706023489 La Paz PRESENCIA in Spanish 28 May 89 p 1

[Graph with headline: "Final Official Vote Count"]

[Summary] Bolivian Socialist Falange (FSB)—Total: 10,608—percentage: 0.67
Tupac Katari Revolutionary Movement of Liberation (MRTKL)—Total: 22,983—percentage: 1.46
Sole Katarista Liberation Front (FULKA)—Total: 16,416—percentage: 1.04
Nationalist Democratic Action (ADN)—Total: 357,298—percentage: 22.70
Conscience of the Fatherland Party (CONDEPA)—Total: 173,459—percentage: 11.02
Movement of the Revolutionary Left (MIR)—Total: 309,033—percentage: 19.64
National Leftist Movement (MIN)—Total: 9,687—percentage: 0.62
Socialist Party One (PS-1)—Total: 39,763—percentage: 2.53
United Left (IU)—Total: 113,509—percentage: 7.21
Nationalist Revolutionary Movement (MNR)—Total: 363,113—percentage: 23.07
Sub total of votes cast: 1,415,869;
Blank Votes: 68,626, percentage: 4.36
Null Votes: 89,295, percentage: 5.67
Total Votes Cast: 1,573,790, percentage: 100

Zarate Willca Front Threatens Mayor, Councilmen
PY0706022389 La Paz PRESENCIA in Spanish 1 Jun 89 Section 2 p 2

[Text] The Zarate Willca Armed Liberation Front [El Frente Armado de Liberacion Zarate Willca, FALZW] which claimed responsibility for the murder of two U.S. Mormon missionaries last week, has sent letters containing death threats to El Alto Mayor Filiberto Cardozo and municipal councilmen. Mayor Cardozo reported the threat and said that the letters were received on 30 May.

Policemen and municipal guards have been guarding the town hall and the mayor's offices since the threats were received. All packages and handbags taken into the building are being inspected, and suspicious-looking people are being frisked.

The front's letter demands that the mayor expel the La Ceja peddlers, who disfigure the location and make it easier for the gringos, who "fool the poor EL Alto dwellers," to hide there. The letter adds that the FALZW will continue to fight until they make all gringos "disappear," Mayor Cardozo said.

The front sent two letters: one to the mayor and the other to Town Council Chairman Leandro Mancilla. The letters were taken to the police for investigation on 30 May, Cardozo added. In view of the death threat, city officials have asked for police protection in order to continue fulfilling their duties.

Regarding the front's request that the mayor expel small shopowners who work on the Ceja security zone, Mayor Cardozo said it is strange that the front would ask the mayor to expel poor people from the place where they make their living.

Town Council Chairman Leandro Mancilla said that the FALZW letters contain a map highlighting the Ceja security zone.

Brazil

Attack on Southeastern Military Command Reported
PY0206034089 Rio de Janeiro O GLOBO
in Portuguese 31 May 89 p 10

[Text] Sao Paulo—Military sources have confirmed that a guard was almost hit by a shot fired early yesterday at the gate of the parking lot assigned to sergeants and civilian employees of the Southeastern Military Command Garrison, located in the Ibirapuera neighborhood in the southern sector of Sao Paulo. The person responsible for the attack has not been identified. In response to this attack, the military authorities of the Southeastern Military Command reinforced the guards at their units yesterday.

As of last night the type of weapon used to attack the unit had not been revealed. A light reconnaissance armored vehicle equipped with a rotating machinegun was parked in front of the unit's side gate. The machinegun was aimed at a nearby forest, from which the shot was presumably fired.

The gate is near the Officers Club on Abilio Soares Street. The entrance to the Legislative Assembly on Pedro Alvares Cabral Avenue is to the left of the gate.

No high-ranking officer from the Southeastern Military Command wanted to comment on the attack, because General Jonas Correia Neto, Commander of the Southeastern Military Command, was in Brasilia to attend a meeting of high-ranking Army officers that was held on 30 May. Gen Correia is the only one who can talk about this incident and about the adoption of measures similar to those that the Southern Military Command has already adopted to reinforce its guards in response to a series of thefts, of weapons.

The Southeastern Military Command Unit is the site of the former 2d Army, where guard Mario Kozel Filho was murdered during an attack in June 1968. Kozel Filho received a posthumous promotion to sergeant. Yesterday's attack occurred 100 meters from the Mario Kozel Filho square.

Army Imprisons General as Disciplinary Measure
PY0306014489 Rio de Janeiro Rede Globo Television
in Portuguese 2300 GMT 3 Jun 89

[Text] The Planalto Military Command today decided to imprison General Newton Cruz for 8 days. General Cruz was punished in accordance with the Army disciplinary regulation.

In a letter sent to the Army Command, which was disclosed yesterday, Gen Newton Cruz said that he believes the Army minister took a negligent attitude toward the case in which Cruz was accused of the murder of reporter Alexandre Baumgarten.

Urban Guerrilla Group Operating in Volta Redonda
PY0506170089 Sao Paulo O ESTADO DE SAO PAULO
in Portuguese 3 Jun 89 p 4

[Kassia Caldeia]

[Text] The Army and the police have discovered, and are keeping surveillance on, a radical leftist group that operates among the metalworkers in Volta Redonda, Rio de Janeiro State. Three years ago, a guerrilla training camp was installed there, but it was later deactivated. This information, not officially confirmed by military or police authorities, was provided by Jorge Vilar Pitaluga, 59, an explosives expert from Goias State, who participated in the armed struggle of the 1970's. He said that a group of 15 men, between 19 and 25, was recruited to receive guerrilla training at the camp; they were paid in dollars.

Some of the members of the group have been to Libya, Albania, Cuba, the Soviet Union, and Nicaragua, and have participated in guerrilla warfare in the Araguaia River region (southern central Mato Grosso State), and in labor movements in the ABC [Santo Andre, Sao Bernardo dos Campos, and Sao Caetano do Sul] industrial region of Sao Paulo State in the 1970's. Apparently, there is no connection between this group and the Volta Redonda Metalworkers Union.

The only official statement in this regard—which might confirm information that has been gathered for nearly 6 months—was made by General Jose Luiz Lopez da Silva on the night of 10 November 1988. Then, commanding troops for the 1st Motorized Infantry Brigade, headquartered in Petropolis (Rio de Janeiro State), Gen Lopez da Silva occupied the premises of the National Steelmaking Company (CSN) to drive out strikers who were entrenched there. He said: "Tonight, Volta Redonda is an urban guerrilla camp." Gen Lopez da Silva is today Joint Staff Chief at the East Military Command, based in Rio de Janeiro.

Talking with Francisco Carlos de Paula, Alias Cabecao, 30, one can gain a hint on the groups' intention. Cabecao is a PT [Workers' Party] militant, a victim of a job accident, who participated in the ABC strikes in 1978 and in the strikes at the Tubarao Steelmaking Company

(CST), Santa Catarina State, in 1979. He is now residing in Volta Redonda. Cabecao said: "I can no longer be an activist as in 1978-79, but I believe I can be useful here."

Pitaluga and Francisco Carlos are two examples of political militants who operate in the Volta Redonda region, a municipality, which is considered "the ABC of the 1980's," is drawing the attention of anyone who intends to politically influence the workers' movement.

Pitaluga has been in several countries, but decided to reside in Volta after having participated in the armed struggle of the 1970's. He worked as an explosives expert for the Mendes Junior Construction Company from 1966 to 1969.

Two or 3 years ago, Jorge Pitaluga was contacted by someone named (or codenamed) Wladimir Iveco, who, knowing Pitaluga's background, asked him to contact a real estate agent to acquire a piece of forest land with easy access to the states of Sao Paulo, Minas Gerais, and Rio de Janeiro. Pitaluga revealed that, once the land was purchased, 15 men "were handpicked" to receive military training there. Later, the training camp was deactivated.

Through people in the Volta Redonda region, the Army learned that Francisco Carlos de Paula had traveled to Libya, Albania, and the Soviet Union for 8 months.

Francisco Carlos de Paula said that he was invited to return to Libya, but that he rejected the offer. He believes that his PT colleagues need his support to confront the party's moderate wing. He mentioned the case of Paulo Roberto Gregory, a PT militant who had been in Nicaragua. Francisco Carlos de Paula said that Gregory was "denounced" by someone who, "out of envy," gave a picture of him with a rifle in his hands to the press.

Loans Worth \$791 Million Reported Approved
PY0106044489 Rio de Janeiro Rede Globo Television
in Portuguese 2300 GMT 31 May 89

[Text] Brazil has secured in Washington four loans totaling \$791 million from the World Bank and the IDB [Inter-American Development Bank]. Agriculture Minister Iris Rezende signed the contracts and Joao Batista de Abreu, chief of the Secretariat of Planning, acted as a witness.

The money will be used for financing agricultural and agro-industrial projects, irrigation projects in the Jequitinhonha Valley, and road construction in Minas Gerais State.

According to Abreu, the contracts are not the most important result of his visit to Washington, because he managed to define projects with the World Bank and IDB that might result in loans totaling \$1.3 billion for Brazil next year.

[Begin Abreu recording] The country has been paying its debt to the World Bank and IDB. The Planning Secretariat has now been able to turn this adverse situation around; that is, instead of making payments to the World Bank and IDB, the country will be able to avail itself of new resources coming from those two institutions. [end recording]

Price Increases on Food, Fuel Authorized
PY0106161689 Brasilia Radio Nacional da Amazonia
Network in Portuguese 1030 GMT 1 Jun 89

[Text] The SUNAB [National Superintendency of Supplies] has authorized an average 18.34 percent price increase for all brands of mayonnaise and margarine. An increase in the price of milk by 21 percent was authorized, and it will now cost 50 cents per liter in the states where the Goods and Services Circulation Tax [Imposto Sobre Circulacao de Mercadoreis Servicos—ICMS] is charged, and 47 cents in the states where the ICMS is not charged.

Cigarette prices will increase by 20 percent, and interstate bus tickets go up by 3.6 percent.

As a result of a 3.6 percent increase in the ICMS tax, the price of gasoline has increased to 55 cents of a new cruzado per liter, fuel alcohol to 41 cents per liter, and diesel oil 28 cents per liter.

The price of bottled gas increased to 2.4 new cruzados.

Price Freeze Policy Being Phased Out
PY0206025689 Rio de Janeiro Rede Globo Television
in Portuguese 2300 GMT 1 Jun 89

[Text] The government has removed controls from rents and prices of many products that were previously regulated. Except for milk, wheat flour, and bread—the prices of which will continue to be regulated by SUNAB [National Superintendency of Supplies], everything else will return to normal in the economy. The government wants to speed up the process of thawing prices and today made two important decisions. First, it will henceforth control the increase of prices that are now listed by SUNAB through the profit margin set by the merchants. Second, it freed 200 products from the rigid control of CIP [Interministerial Price Commission]—products such as matches, yogurt, vinegar, and disposable diapers. Manufacturers of these 200 products will now be able to increase their prices without requesting government authorization. They will only have to inform the CIP 2 days in advance, a requirement that is called watched freedom by the Finance Ministry.

If some abuses are detected later, the price of any given product or its manufacturer might be placed back under control. Watched freedom will be a process to follow prices and will lead to a gradual return to a free market.

As of today, 1 June, the freeze is removed from rents and from the prices of house purchase installments. Prices of fuel alcohol, gasoline, and cooking gas will increase. In

addition to the price of bread, which was readjusted by 20 percent on Monday, increases in the prices of various products that are absolutely basic for most Brazilians are authorized—products such as soybean oil, margarine, mayonnaise, wheat flour, and milk.

The government has an explanation for this. It wants to return as rapidly as possible to the market economy, the economy where supply and demand regulate prices. This market economy was totally abandoned on 15 January, when the price freeze was implemented. This move toward the market economy, of course, has a large impact on the workers' pocketbook. It will mean more expenses and less money, until a new salary law defines rules for restoring the purchasing power of salaries.

The government is not thinking of increasing the price of beef on the SUNAB list. The result is that meat can be found in some places, but not in others. The supermarket networks are not purchasing meat, because its listed price is well below the price of beef on the hoof. However, meat can be found in the meat shops, but at double the listed price. In short, the price of beef on the hoof once again increased 15 percent in a week; the cattle raisers are selling; the meat shops are doing business; and the housewives are purchasing—life goes on outside the SUNAB list.

Chile

Pinochet Says 'Involvement in Politics Over'

*PY0606203089 Santiago Domestic Service
in Spanish 1030 GMT 6 Jun 89*

[Text] President Pinochet has said he will remain as Army commander in chief after March 1990 to guarantee the country's institutional system, but said his involvement in politics is over.

Pinochet made this statement during a luncheon with about 70 women and journalists from several news media.

Referring to the results of the plebiscite, Pinochet said that he was disappointed by the lack of loyalty and gratitude the people displayed in some cities, such as Iquique.

Pinochet said the people are on their own now because the Armed Forces are not going to get involved anymore. He added that he will devote his time to training the Army to prepare for any situation which may arise from abroad.

Asked if Armed Forces officers could be tried for alleged human rights violations, Pinochet said that some cases should be reviewed, but not out of revenge. [passage indistinct]

Pinochet expressed regret that former Minister Hernan Bucci had decided not to run as a presidential candidate, adding that the government will not support anyone in the presidential elections.

Concerning the nomination of Sergio Onofre Jarpa as a presidential candidate, Pinochet said that he much appreciated his former minister, but that he will not support anybody for the time being.

Asked whether he would consent to run as a center-right candidate, Pinochet said no and refused comment further.

Asked what would happen if Patricio Aylwin is elected president, Pinochet said that as two educated people, they will greet each other and talk about organizational matters and principles.

Gen Zincke Responds

*PY0606231089 Santiago Radio Chilena Network
in Spanish 1700 GMT 6 Jun 89*

[Relay from Arica by Eliana Henriquez]

[Text] Army Deputy Commander Lieutenant General Jorge Zincke has stated that the Armed Forces will again intervene should the institutional order be disrupted under a future government. He stated, however, that he does not want this to happen because it is not good for the country.

Gen Zincke, who arrived in this city, is a member of President Augusto Pinochet's retinue. Zincke answered questions posed by reporters, especially on the stand the Armed Forces will adopt should the institutional order be disrupted. He said: We will adopt the same stand as always. You already know this, he said. You already saw what happened on 11 September 1973. We hope that it will not be necessary again, because it is not good for the country.

Gen Zincke added that the Armed Forces are upset over the results of the latest plebiscite. He said that for 16 years, the armed institutions have worked to raise a country which was defeated and downtrodden, but it is now standing up.

Therefore, he stated, there is a feeling of disappointment because after so many years of work and efforts, there is no compensation at all.

Zincke added that he sees with greater optimism the elections that will be held on 14 December 1989. He explained that a constitutional law on the organization of the Armed Forces will be issued to better rule all aspects related to the Armed Forces. He explained that this means that the Armed Forces' situation will be similar to that of the Central Bank or the National Controllershship's Office, in that the rules of the game will be clearer and better specified and the Armed Forces will not be subjected to the political game.

Zincke added that this law will give greater stability to the military institutions, but that this does not mean that they are giving up their autonomy.

Regarding remarks made by President Pinochet that he intends to remain as commander in chief of the Army at the end of his presidential term, Zincke stated that the Army wants Pinochet to continue as its leader, commanding the institution.

In conclusion, when he was asked whether the Army is ready to confront a government which will perhaps follow a different line, he said: We will follow our own traditional and historical line within the country. That is, without confrontations or anything similar.

New Agriculture Minister Sworn In 5 Jun
*PY0506211189 Santiago Radio Chilena Network
in Spanish 1700 GMT 5 Jun 89*

[Text] Agronomist (Juan Ignacio Dominguez) has been installed as the new agriculture minister, replacing Jaime de la Sotta. The brief swearing-in ceremony took place at the Carrera Hall of la Moneda Palace. President Pinochet and his entire cabinet attended the ceremony.

Pinochet thanked De la Sotta for his contribution to the modernization of the national agricultural system and stressed his valuable work during the crisis that affected fruit exports. Following the ceremony, De la Sotta denied that his resignation was related to the fruit crisis and added that he has decided to return to the private sector after 15 years in the public sector.

(Dominguez) said that he will do his best to consolidate the task undertaken by the government in the agricultural sector. He added that agriculture has made progress in the country, and that some 200,000 or 300,000 large, medium and small private businessmen are engaged in this field. Therefore, he said, the government must help them to make correct and useful decisions that will benefit the country.

(Dominguez), who is a farmer and a university professor, is 48 years old.

Jorge Arrate Elected PS Secretary General
*PY0606214689 Madrid EFE in Spanish
0300 GMT 6 Jun 89*

[Summary] Santiago, 5 Jun (EFE)—Jorge Arrate has been elected secretary general of the Socialist Party [PS], which had been led by Ricardo Nunez. Arrate received 54 percent of the votes, while former Senator Eric Schnake received 45 percent.

Arrate, who was exiled to Italy, the GDR, and the Netherlands for 14 years, said in a news conference that he will continue fighting for the unity of socialism. He also expressed hope that the Chilean opposition will designate a single candidate for the 14 December presidential elections.

Teitelboim Makes Appeal to PAIS at Rally
*PY0606162689 Santiago Domestic Service
in Spanish 1030 GMT 6 Jun 89*

[Text] Volodia Teitelboim, the new secretary general of the outlawed Chilean Communist Party [PCCh], has made a fervent Marxist-Leninist call to the Broad Party of the Socialist Left [PAIS] to be careful and to struggle for power with all the means available to it.

It is known that PCCh members have also joined the Christian Left Party, which is headed by the Marxist leader Luis Maira. The PCCh calls these people leftist independents.

Teitelboim, who has spent 15 years in exile in Moscow, said in his speech that the people will mobilize so that the upcoming government can enter La Moneda Government Palace with full powers and with real and combative authority.

Teitelboim was the only speaker at a rally called Long Live the People held at the Santa Laura Stadium to celebrate the closure of the 15th PCCh Congress. The 14th PCCh Congress took place sometime around 1970.

It was noteworthy that Volodia, who was wearing a cap, urged the people to resort to votes, and not to rifles and bullets as he used to do.

Volodia repudiated the constitutional amendments by saying that they are just cosmetic changes. He said he regretted Article 8, and he criticized the Christian Democratic Party without naming it.

There was a huge black skull on one side of the stage, along with some individuals on stilts and dressed in black, who claimed to represent the members of the Government Junta.

The people attending the rally received greetings from Clodomiro Almeyda and listened to a tape recording of Salvador Allende. Almeyda, the former foreign minister of the Popular Unity administration, is in Europe to undergo medical treatment for his asthma.

PCCh Seeks To Participate in Elections
*PY0106122389 Santiago LA SEGUNDA in Spanish
19 May 89 p 17*

[Text] The Chilean Communist Party (PCCh) is giving its full concentration to participating in the upcoming congressional elections. To participate in the elections, the PCCh must reach agreement within the Broad Party of the Socialist Left (PAIS) (through which it is legally functioning), and through this, with the Coalition of Parties for Democracy (CPPD), especially with the Christian Democratic Party (PDC).

In these circumstances, however, the more the PDC objects to the Communists' participation, the more the Communists are determined to participate in the elections.

The Communists have already submitted three proposals since the negotiations began expressing their wish to participate in the December elections.

First, the PCCh has completely ruled out its participation in the single list proposed by the opposition. They believe that it is impossible to implement it, even in some regions.

Second, the PCCh seeks to participate in the list proposed by the PAIS, the Humanist Party, the Green Party, and the Radical Party Silva Cimma Faction in this case; they are asking for 15 seats for deputies and 2 for senators, although they are willing to accept as little as 8 seats for deputies.

The latest proposal—the most inflexible one—was made this week. They propose a single list for the PAIS, to which they will submit a list of 120 candidates.

The second proposal is the most feasible as long as the PDC does not change its current position, and the Party of Democracy [PPD] accepts it.

No matter which proposal is adopted, the PCCh has taken precautions, and has already nominated its list of congressional candidates.

Well-known Communists, as well as others who are totally unknown to the public, are included in the 3-page list.

Miguel Lawner, the director of the Lipschutz Institute, is the most probable candidate for the senate in the 1st Region, but Lawner, a former PDC member, does not want to accept the post.

The following candidates are also on the list: Dr Fanny Pollarolo; Carlos Molina, who is the PAIS vice president in the Metropolitan area; PAIS Vice President Manuel Riesco; Carmen Gloria Quintana; Juan Carlos Concha; Estela Ortiz, who is the widow of Jose Manuel Parada; Jorge Montes; Communist Youth leaders Gonzalo Rovira and Guillermo Scherping; former Deputy Ruben Zapata Bravo; former Senator Luis Godoy; former Senator Luis Godoy; former Deputy Orel Viciani; Juan Restelli; and Galvarino Melo, among others.

Former Deputy Amanda Altamirano, former Senator Julieta Campusano, and former Deputy Mireya Baltra are on the list, but have not yet been confirmed.

Former PCCh Deputy Guastavino Released

*PY0606023689 Santiago Domestic Service
in Spanish 2300 GMT 5 Jun 89*

[Text] Former PCCh [Communist Party of Chile] deputy and leader Luis Guastavino has granted an unconditional release. Guastavino was detained on Wednesday [31 May] and was held incommunicado on orders of the Valparaiso naval prosecutor due to charges of sedition brought against him in 1972.

The court released Guastavino and ordered that he be transferred to Santiago, where he was placed at the disposal of the special prosecutor who is investigating the attack on President Pinochet. After questioning him for 4 hours, Judge Renato Gomez decided to grant him an unconditional release.

Plebiscite on Constitutional Amendments Announced

*PY0206030089 Santiago Radio Cooperativa Network
in Spanish 2300 GMT 1 Jun 89*

[Excerpt] Interior Minister Carlos Caceres has said that through a plebiscite that will take place late in July, the people will decide whether to accept the constitutional amendments.

Caceres today attended a ceremony in which Pinochet signed the introductory document to the draft law containing the amendments.

The draft law has already been submitted to the Government Junta, which will immediately discuss it. [passage omitted]

Parties Criticize Constitutional Reform Agreement

MIR Communique Issued

*PY0206035289 Santiago Domestic Service
in Spanish 2300 GMT 1 Jun 89*

[Text] Following the agreement reached on the constitutional reform issue, the MIR [Movement of the Revolutionary Left] has issued a virulent communique against the opposition coalition, the National Renewal Party [PRN], Patricio Aylwin, and Sergio Onofre Jarpa.

MIR spokesman Jecar Neghme even pointed out that if Aylwin is nominated as the single opposition presidential candidate, the MIR would ask its rank and file not to vote for him.

The MIR communique says that the opposition coalition fell into a trap when it distrusted the ability and maturity of the people. The communique adds that so-called Jarpism aroused obvious suspicion about the opposition and about the existence of a secret pact between the Armed Forces and the PRN.

The MIR communique continues with a string of accusations, aiming its darts against Jarpa and Patricio Aylwin. The communique holds Aylwin responsible for making too many concessions in order to reach agreement [passage indistinct] following a logical question.

An MIR spokesman pointed out that the MIR intends to participate in the next congressional elections and that the MIR will present three candidates, although he did not say in which districts.

United Left Makes Accusation

*PY0206040089 Santiago Domestic Service
in Spanish 2300 GMT 1 Jan 89*

[Text] The Marxist United Left [IU] coalition has strongly criticized the agreement reached on the constitutional reform issue between the opposition coalition and the government, and it has accused the center-right, poarticularly Sergio Onofre Jarpa, of trying to divide the opposition forces.

IU President Anibal Palma has pointed out that this is just another trick of the government to dilute the effectiveness of the October 1988 plebiscite.

Reading the communique issued by the IU, which includes radicals, socialists, Christian leftists, communists, the MIR [Movement of the Revolutionary Left], and socialists of the Almeyda faction, Palma announced that within the next few days, the IU will disclose whether it will vote for or against constitutional reform in a plebiscite that could be held in August 1989.

The IU president pointed out that the IU will not agree to compromising the prospects for a democratic transition with secondary and unimportant changes.

Coalition Parties To Seek More Amendments

*PY0206143289 Santiago Domestic Service
in Spanish 2300 GMT 2 Jun 89*

[Text] The Coalition of Parties for Democracy [CPPD] has declared that the government's proposal to ammend the Constitution represents some progress in attaining democracy; however, in the next congressional period the CPPD will propose more essential amendments.

CPPD spokesman Patricio Alywin read this declaration, which states that the cancellation of two consecutive congressional periods before the amendment of the Constitution is important. However, the document adds the CPPD believes the current nonproportional election system and the appointed senators' system represent an obstacle to attaining a full democracy.

The CPPD declaration states that in the next congressional period, it will promote modifications to the National Security Council and the constitutional court.

In reply to a statment made by Sergio Onofre Jarpa, president of the National Renewal [RN] party, who labeled the agreement to amend the Constitution as a convergence toward a center political position, Alywin said he thinks that a new institutional order will be born.

He said that the CPPD is not seeking a government formula, but a new institutional order with the participation of all Chileans.

Regarding possible future cooperation between the opposition and the center-right political sectors in domestic subjects, as suggested by Jarpa, Alywin said:

[Begin Alywin recording] I think that basically, in a democratic system, political disagreements between government and opposition have certain limits which stem from the acceptance of certain rules of coexistence and from the need of national well-being, and which often demand that the government and oposition agree in face of serious situations.

I, therefore, think that the RN's opinion as expressed by Jarpa is well intentioned, and we agree with it. [end recording]

Alywin said he thinks there is a tacit agreement with the center-right sectors to introduce more constitutional ammendements in the next congressional period.

Communist Youth To Hold Eighth Congress

*PY0106031889 Santiago FORTIN MAPOCHO
in Spanish 26 May 89 p 4*

[Text] The Communist Youth [JJCC] has announced that it will hold its eighth internal congress in the next few days.

Guillermo Scherping has reported that this decision was made by the JJCC Central Committee, so that the agreements reached at the 15th PCCh Congress can be brought into line with the needs of the youth.

Scherping said: "The 15th PCCh congress has challenged the JJCC to implement the policy of popular rebellion among the youth." He added that the success of this strategy depends on strengthening ties with the masses, on promoting a broad unity without exclusions, and on implementing all forms of struggle that are required to advance at any particular moment.

Scherping, who was accompanied by Marisol Berrios and Juan Araya, said that the "red" congress will be open, so that all matters concerning youth can be analyzed. He made it clear that the JJCC congress cannot make decisions that oppose those made at the 15th PCCh congress, since 10 percent of the JJCC members have already participated in the internal discussions of the PCCh congress. Referring to current political matters, Sherping also said that the JJCC will support a single opposition list for the elections, but he does not

rule out the possibility that the leftist sectors will submit its own list if no agreement on a single list is reached. Scherping said that the Communists will support a single presidential candidate of the opposition, regardless of any agreement on a congressional list.

Navy Rules Out Talks With Political Parties

*PY0306151389 Santiago Domestic Service
in Spanish 1030 GMT 3 Jun 89*

[Text] In a communique, the Chilean Navy has reiterated its absolute nonparticipation in politics, pointing out that it has not participated and will not participate in talks or deals with political parties.

The communique is addressed to a morning daily that had published remarks by PPD [Party for Democracy] President Ricardo Lagos, who said the Armed Forces were an important interlocutor in the negotiations to reach agreement on the constitutional reform issue.

In this regard, the Chilean Navy once more reiterated that, as a hierarchical and disciplined institution, it will faithfully comply with a constitutional provision that the Armed Forces be essentially obedient and not a deliberative institution.

The communique said that the Chilean Navy has not participated and will not participate in talks or deals with any political party or organization, strictly confining itself to its professional activities.

The communique is signed by Ship-of-the-Line Captain Gustavo Marin Watkins, Navy public relations department chief.

Mining Official's House Bombed in Lota

*PY3105224089 Santiago EL MERCURIO in Spanish
25 May 89 p C-11*

[By Luis Aguilera Chanet]

[Text] Lota—A miner was injured in an attack with a 250-gram stick of dynamite—similar to those used in a local mine—on the house of the ENACAR [National Coal Enterprise] operations manager, Peter Crokran Nasly. The explosion frightened the people inside the house, located on the road to Parque No 21. Large windows of the house were destroyed, but those inside were not hurt.

The bomb, planted on the road to a parking lot at the residence, was obviously designed to frighten people.

Due to the strength of the shock wave, a passing miner, identified as Hector Manuel Cisternas Paredes, suffered an acoustic trauma. He was treated at the local hospital and sent home.

Terrorists Bomb Towers in Mining Region

*PY0606155689 Santiago Domestic Service
in Spanish 1030 GMT 6 Jun 89*

[Relay from Concepcion]

[Excerpt] A terrorist attack on high-power towers in a mining region has caused a blackout in (Arauco), Lota, and Coronel Provinces.

Terrorists destroyed one high-power towers and damaged two others with a bomb made of ammonium gelignite.

After more than 2 hours of work, the National Electric Power, Inc restored the electricity. [passage omitted]

Ruz To Direct New Political Publication

*PY0206025889 Santiago LA TERCERA DE LA HORA
in Spanish 20 May 89 p 8*

[Summary] Reporter Gustavo Ruz, who was a socialist leader in the Popular Unity government, is the director of the new publication PRISMA POLITICO, which specializes in political events.

Telephone Company Acquires Satellite Transponder

*PY0106235489 Santiago HOY in Spanish
22-28 May 89 p 41*

[Summary] Chilean Telephone Company (CTC) has acquired a 72-Mhz satellite transponder of the PAS-1 satellite on Alpha Lyracom Pan American Satellite (PANAMSAT). During the ceremony, at which CTC Chairman Gerson Echavarria Mendoza and PANAMSAT Chairman Reynold Anselmo signed the agreement, it was disclosed that as of next year, the CTC will start using the satellite for long-distance communications from northern Chile.

Colombia

'Incidents' Force Closure of Ecuadoran Border

*PA0606153789 Bogota Emisoras Caracol Network
in Spanish 1220 GMT 6 Jun 89*

[Text] Pasto—Commerce at the Ecuadoran border is virtually paralyzed after the border was closed in the wake of serious incidents between striking transporters and Ecuadoran police.

One person was killed in Tulcan, Carchi Province. Meanwhile, the situation remains tense in the rest of Ecuador because of the prolonged strike of drivers who are protesting against drastic economic measures adopted by the government of President Rodrigo Borja.

As a result, commerce between Tulcan and Ipiales, the two most active cities at the border, is virtually paralyzed.

Casualties in Barge Sinking Reported

PA0606183489 Bogota Inravisión Television Cadena 1
in Spanish 1739 GMT 6 Jun 89

[Report by Jesus Garzon]

[Text] A lively party turned into a tragedy. After celebrating the local festivities and electing the gold festival queen, everyone was ready to go home. Men, women, and children boarded a barge to take them across the river. The tragedy took place in the dark, at 0200 [date not given]. The metal barge on the Condoto River was tied with a steel cable to a pulley. The cable snapped and the barge was swept by the current toward the mouth of the San Juan River, where it sank with approximately 100 persons on board.

The accident took place at a point midway between Andagoya and Andagoyita. As of noon today, the tragic toll is 35 missing, 22 injured, 14 bodies recovered, and 20 unharmed. Funeral arrangements are being made today by relatives, who are extremely poor.

[Begin recording] [First unidentified person] We need to see how we can transfer the bodies to each of their respective points of residence, and we need coffins.

[Second person] I think the central government is going to take care of the needs of the people of Andagoya, because the only time the government looks after the poor in this country is when a tragedy occurs.

[Third person] The people of Andagoya barely survive, in an inhumane manner. Sincerely, this brings sorrow to us, but we might say this is a chronicle of an expected death. [end recording]

The victims of the new tragedy in Choco Department were from Istmina, Condoto, Tado, and Quibdo. The fertile Choco area, rich in gold but poor in living conditions, today mourns its relatives and friends killed in the tragedy.

Ecuador

Foreign Support Noted on Citibank Issue

PA2605160489 Quito Radio Quito in Spanish
2300 GMT 23 May 89

[Text] An Ecuadoran delegation traveled to the United States and made several attempts to try to settle the conflict created by Citibank as a result of the bank's arbitrary seizure of \$80 million. These attempts were in addition to other actions taken in conjunction with continuing the process of renegotiating the foreign debt. The delegation has reiterated that it is satisfied with the support Ecuador has received from both international

financial organizations and several friendly governments, including the U.S. Government, concerning Citibank's plans and the return to the country of the unduly withheld funds. The statements were made by the president of the Monetary Board, Abelardo Pachano.

[Begin Pachano recording] According to what this bank [words indistinct] last Tuesday, 16 May, through its international vice president Hans Angler Mueller. Right now, Ecuador is insisting, through various channels, that Citibank comply with this commitment and cancel the measure adopted on 16 May and announced unilaterally concerning the loan for \$80 million that the country had not requested and whose conditions are unacceptable to the nation.

I am also pleased to report that the committee representing all the creditor banks has accepted deferred payments of partial interest that Ecuador was going to pay with part of this \$80 million, because the committee has understood it is not the country's fault, but that of the incident created by Citibank.

In other words, the committee, duly informed by the Ecuadoran commission, agreed to continue the negotiation process. With this attitude, it confirmed Ecuador is striving to stabilize its economy and confirmed the seriousness of the negotiations being held. Contrary to Citibank's remarks, substantial progress has been made, as confirmed by the nation's decision to resume partial payments of interest that has been deferred since January 1987.

Moreover, it is worth noting that the World Bank sent a letter to the Citibank president asking for the return of approximately \$6 million it had deposited in one of the seized accounts. We hope Citibank will not deposit those funds [words indistinct]. These funds were destined for projects such as repairing the Ecuadoran oil pipelines, which need the money now. All of you have Document No 1, which Mr Feraud, Central Bank of Ecuador manager, will thoroughly explain to you.

With this explanation, and the support we have received, the Ecuadoran government has made the international financial community, organizations that finance development, and most industrialized and Latin American countries realize this is an isolated and incomprehensible action by a bank that belongs to the commission that was aware of the progress made on the foreign debt negotiations. [Words indistinct], and does not change the policy of respect for foreign investment. [end recording]

Drivers' Federation Ends 8-Day Strike

PA0706042389 Madrid EFE in Spanish 0108 GMT
7 Jun 89

[Text] Quito, 6 Jun (EFE)—The National Federation of Ecuadoran Drivers decided today to end the national public transportation strike that began 8 days ago.

A federation spokesman said the decision was made after the government agreed to begin a dialogue following the mediation of several deputies, Industries Minister Juan Jose Pons, and Quito Archbishop Antonio Gonzalez. The drivers also agreed to form a bilateral commission made up of government and driver representatives to study the drivers' demands.

Ecuador's public transportation drivers decided to go on an indefinite strike on 29 May to demand that the government exempt them from paying vehicle duties and registration fees and approve a 100-percent fare increase. The government only agreed to a 60-percent increase in fares (or 25 sucres, which amounts to \$0.05). The offer was rejected by the drivers, who decided to call a national strike.

There were sporadic disturbances during the strike. One person was killed during fighting in the city of Tulcan on the country's northern border on 4 June. Abel Unda, secretary of the federation, was arrested and sentenced to 1 week in prison on 1 June.

Agrarian Reform Director Reports on Activities
PA3105235789 Quito Voz de los Andes in Spanish
 1200 GMT 31 May 89

[Text] Luis Nagaibor, director of the Ecuadorean Institute of Agrarian Reform and Settlement [IERAC], has reported that the institution is currently working in three areas.

[Begin Nagaibor recording] The institute has been working in three areas: agrarian reform, settlement, and legalization of land ownership. We have also been active in infrastructure projects, such as roads. In addition, we need schoolrooms and bridges. We will open several bridges in Gualaquita on 16 June and several in (?Palon) next week so that the agricultural products can be taken to market. We are aware that the Indian communities should not play a passive, but an active, role in agrarian reform and the settlement process. The institute and the [words indistinct] federation signed an agreement so that the federation and IERAC teams can measure the settlement land tracts. We did something similar with the [words indistinct] foundation in Esmeraldas last week. [end recording]

He also reported on his working sessions with the Sarayaco community in the eastern part of the country a few days ago, when he signed four documents.

[Begin Nagaibor recording] One of the documents deals with the Sarayaco community, another is related to Pascasa Province, a third has to do with the treatment of the Amazonia region, and a fourth discusses national Indian problems. These documents cover three general aspects and other more specific matters. Specific details refer to the legalization of land ownership, compensation for damage caused by oil prospecting and exploitation

operations, and bicultural education, that is, education Spanish-language education, as well as Indian education featuring Indian language and customs. [end recording]

Paraguay

Foreign Minister Attends OAS Meeting on Panama
PY0406213389 Asuncion PATRIA in Spanish
 4 Jun 89 p 12, 13

[Excerpt] Foreign Minister Luis Maria Argana traveled by air to Washington on the afternoon of 3 June. Argana was accompanied by Foreign Ministry Under Secretary Hugo Saguier Caballero. In Washington he will participate on 6 June in the 21st consultative meeting that has been called by the Permanent Council of the OAS to evaluate for the second time the delicate situation of Panama. [passage omitted]

SELA Permanent Secretary Arrives in Asuncion
PY0306155489 Asuncion ULTIMA HORA in Spanish
 2 Jun 89 p13

[Text] Henry Gill, permanent secretary of the Latin American Economic System (SELA) has arrived in Asuncion and is holding talks with government officials. "We are discussing a proposal of the SELA permanent secretariat concerning the foreign debt. It is a step toward a Latin American and Caribbean proposal," Gill told ULTIMA HORA at the Foreign Ministry.

Gill announced that the proposal will be discussed during a regional meeting on "foreign debt," which will take place in the coming weeks. He added that "the proposal is aimed at reducing the transfer of hard currency abroad." He emphasized that "it is estimated that \$180 billion have been transferred abroad over the last 6 or 7 years because of the debt."

Gill stressed that the Latin American countries "find it impossible to sell their products abroad and develop under these conditions. The SELA proposal is based on an initial reduction of 50 percent of the transfers," Gill said.

Court Justices, Attorney General Sworn In
PY0306021089 Asuncion ULTIMA HORA in Spanish
 2 Jun 89 pp 12, 13

[Summary] President Andres Rodriguez this morning administered the oath of office to Jose Alberto Correa as the chief justice of the Supreme Court; to Albino Garcete Lambiase, Jeronimo Irala Burgos, and Benito Pereira Saguier, as Supreme Court justices; and to Diogenes Martinez as the attorney general.

MOPOCO Convention Elects Chairman, Board
PY0206143689 Asuncion ABC COLOR in Spanish
2 Jun 89 p 4

[Quotation marks as published]

[Text] According to MOPOCO [Colorado Popular Movement] sources, Eduardo San Martin has been elected as chairman of the MOPOCO board.

The sources added that Sandino Gil Oporto has been elected as the MOPOCO board secretary.

During a controversial convention held on 30 May, MOPOCO members decided to elect a new board to avoid a clash with the ANR [National Republican Association- Colorado Party] board.

According to MOPOCO leader Waldino Ramon Lovera, a total of 13 committees will be established in the next few days. These committees will discuss issues concerning Paraguay's socioeconomic situation."

The MOPOCO board comprises: Eduardo San Martin, Sandino Gil Oporto, Miguel Angel Gonzalez Casabiana, Edgar Cataldi, Antonio Gonzalez Prieto, Juan Carlos Galaverna, Anibal Abate, Faustino Centurion, Nelson Silvera, Elba Benitez de Goiburú, Leopoldo Cataldi, Georgina Vda. de Zacarias Arza, Manuel Elizeche, Elizardo Bobadilla, Alejandro Stumpfs, among others.

New Colorado Party Dissident Movement Formed
PY0606232389 Asuncion HOY in Spanish
6 Jun 89 p 9

[Text] Yesterday a group of MOPOCO [Colorado Popular Movement] leaders split and formed the Authentic MOPOCO. A meeting took place at a downtown hotel and an organizing committee was entrusted with the organization of a convention, set tentatively for 15 August.

According to a document released on the occasion "the new movement intends to continue the struggle of the Colorado people until the final victory of the principles on which the party is founded, and the implementation of the goals the MOPOCO has been promoting for the past 30 years. The MOPOCO does not recognize the legitimacy of the present Colorado Party Executive Board, which was installed with the support of hand-picked candidates chosen at make-believe elections where the people who voted were those included on a forged registration list. These vices, reminiscent of the Stroessner regime, are today enriched by the conniving cooperation of our former comrades who are unable to react and who remain frozen in a ritualistic facade without communications with the grass roots."

Emilio Reynal, the leader of the group, walked out of the MOPOCO convention after disagreeing with his fellow representatives on the issue of the executive board membership reduction and the present leadership policy of cooperating with the government.

The declaration says: "They took the position of ruling according to policies established by the leadership and defended the privileges of the dominant power sectors."

"We will continue to answer to the grass roots of our party, which is committed to continue the struggle until the Colorado people's sovereignty is respected and for as long as the Paraguayan people's poverty and health problems are not solved, the old and young do not receive proper assistance, and workers do not receive good salaries; until our peasants settle on their own land, until the exploitation of our small producers is stopped; and because the unemployment rate continues to grow and the housing problem increases."

The Authentic MOPOCO Organizing Committee comprises Ruben Acosta Fleitas, president; Marcos Alvarez Pereira, secretary general; Elvio Martinez Gauto, treasurer; Hugo Lovera, organizations secretary; Nicolas Rosso, press secretary; and Gerardo Lopez [no title as published].

Generals Held Under Arrest at Military Unit
PY0206154589 Asuncion ABC COLOR in Spanish
2 Jun 89 p 10

[Text] Yesterday, a government source reported that three generals of the Stroessner regime are being held under arrest at the Recruiting and Mobilization Service headquarters, while five others are under house arrest. The source added that all other high-ranking military chiefs of the Stroessner regime have been released. It was also reported that all high-ranking officers of the last regime have gone into retirement.

According to reports Division General Alberto Johannsen Roux, Brigadier General Alcibiades Ramon Soto Valleu, and Brigadier General Francisco Ruiz Diaz are being held under arrest at the Recruiting and Mobilization Service headquarters on Eusebio Ayala Avenue.

The following officers are under house arrest: Division General Francisco Alcibiades Britez Borges, Division General Alejandro Fretes Davalos, Division General Guillermo Federico Clebsch, Division General Cesar Machuca Vargas, and Division General Gaspar German Martinez, who is under house arrest at his ranch in Paraguari.

The following officers have been released: Division General Gustavo Prieto Busto, Division General Eduardo Sanchez, Division General Enrique Duarte Alder, Division General Raul Eleuterio Calvet Torres, and Division General Luis Alberto Gonzalez Ravetti who has been appointed member of the Council of State.

The following brigadier generals were also released: Jose Roa Benitez, Alfredo Diosnel Zelaya, Rogelio Bartolome Argana, Luis Esteban Olmedo Ortiz, Alejandro Schreiber, Hugo Dejesus Araujo, Luis Rolando Tomasone, Bernardino Peralta Baez, Roberto Knopfmacher, Eladio Iriarte Dominguez, Miguel Angel Berino, Ismael Otazu, Isidro Gauto Caballero, and Rear Admiral Ignacio Catalino Moreno Carreras.

It has been reported that Brigadier General Rafael Benito Jesus Guanes Serrano is undergoing medical treatment in the United States.

Quartermaster General Elvio Alonso Martino has been appointed as chairman of the "Paraguayan Fertilizer Company" (FERTIPAR), Brigadier General Victor Manuel Florentin has been appointed Yacyreta dam security chief, and Brigadier General Trifon Gregorio Lopez Prado has been appointed member of the Council of State.

List of New Military Commanders Issued

PY3005235289 Asuncion EL DIARIO in Spanish
28 May 89 Special Supplement pp 14, 15

[Excerpts] When President Andres Rodriguez was sworn in as constitutional president of Paraguay on 15 May 1989, he began a new reality, after many long years. That same day, after many long years, a special reality was taking place within the national Armed Forces.

After 16 years, May has again become the month of military promotions, and above all, the month of naming new generals. With these promotions, granted on 15 May, the Paraguayan military reorganization after the February military coup has concluded. [passage omitted]

According to the new law in effect, the division generals will hold their posts for 5 years before passing to mandatory retirement. The brigadier generals, or their equivalent, will have 4 years to either be promoted to the next higher rank or be automatically retired as well.

Herewith follows a list of current commanders and their respective dates of advancement.

- 1) Division General Andres Rodriguez Pedotti, commander in chief of the Armed Forces (14 May 1970);
- 2) Division General Orlando Machuca Vargas, minister of interior (31 December 1984);
- 3) Vice Admiral Eduardo Gonzalez Pettit, commander of the Navy (31 December 1987);
- 4) Division General Otello Carpinelli Yegros, commander of the III Army Corps (15 May 1989);
- 5) Division General Abraham Abed, commander of the Command For Military Training Institutions (CIME) [Comando de Institutos Militares de Educacion] (15 May 1989);
- 6) Division General Eumelio Bernal Gimenez, chief of the Armed Forces Joint Staff (15 May 1989);

- 7) Division General Ramon Humberto Garceto, commander of the I Army Corps (15 May 1989);
- 8) Division General Juan de Dios Garbett, commander of the II Army Corps (15 May 1989);
- 9) Division General Juan Manuel Campos Guillen, commander of the Combat Support Command (15 May 1989);
- 10) Division General Francisco Sanchez Gonzalez, chief of the Asuncion Police (15 May 1989);
- 11) Brigadier General Ricardo Bogado Silva, military attache to the United States (31 December 1981);
- 12) Brigadier General Victor A. Aguilera Torres, commander of the Logistics Support Command (31 December 1986);
- 13) Medical Corps General Victor Domiciano Olmedo de Felice, director of the Armed Forces Medical Service (31 December 1987);
- 14) Quartermaster General Panfilo Mora Escobar, director of the Army Quartermaster Service (31 December 1988);
- 15) Brigadier General Eduardo Antonio Allende, commander of the 3d Cavalry Division (15 May 1989);
- 16) Brigadier General Solano Ignacio Gamarra, commander of the 6th Infantry Division (15 May 1989);
- 17) Rear Admiral Flavio Alcibiades Abadie Gaona, chief of the Navy Staff (15 May 1989);
- 18) Brigadier General Carlos Egisto Maggi, commander of the National War College (15 May 1989);
- 19) Brigadier General Luis Valiente Flor, commander of the Communications Command (15 May 1989);
- 20) Brigadier General Dario Gonzalez Duarte, commander of the 5th Infantry Division (15 May 1989);
- 21) Brigadier General Ricardo Antonio Rojas Ortiz, commander of the 1st Infantry Division (15 May 1989);
- 22) Brigadier General Emilio Osvaldo Balbuena, chief of the III Army Corps Staff (15 May 1989);
- 23) Brigadier General Luis Alberto Laguardia Roa, chief of Staff of the Combat Support Command (15 May 1989);
- 24) Brigadier General Jose Miguel Gimenez Caceres, commander of the Engineering Corps (15 May 1989);
- 25) Brigadier General Silvio Rafael Noguera Ramirez, chief of staff of the Logistics Support Command (15 May 1989);
- 26) Brigadier General Marcial David Samaniego Ocariz, director of Military Industries (15 May 1989);
- 27) Rear Admiral Andres Ramon Legal Basualdo, president of the Supreme Military Court (15 May 1989);
- 28) Brigadier General Pablo Feschencko, commander of the 3d Infantry Division (15 May 1989);
- 29) Brigadier General Galo Longino Escobar, commander of the "Francisco Solano Lopez" Military School (15 May 1989);
- 30) Brigadier General Ruben Adolfo Suarez, chief of the 1st Army Corps Staff (15 May 1989);
- 31) Brigadier General Mario Rodolfo Escobar Anzoategui, commander of the 2d Infantry Division (15 May 1989);
- 32) Brigadier General Crispiniano Lopez Gimenez, commander of the Artillery Command (15 May 1989);

- 33) Brigadier General Oscar Rodrigo Diaz Delmas, deputy chief of staff of the Armed Forces (15 May 1989);
- 34) Brigadier General Lorenzo Carrillo Melo, chief of staff of the 2d Army Corps (15 May 1989);
- 35) Brigadier General Hugo Adolfo Escobar Anzoategui, under secretary of state of the Defense Ministry (15 May 1989);
- 36) Brigadier General Pedro Concepcion de la Cruz Ocampos, commander of the 2d Cavalry Division (15 May 1989);
- 37) Brigadier General Francisco Aristides Talavera Mosqueda, director of School of Command and Chiefs of Staff (15 May 1989);
- 38) Air Force Brigadier General Dionisio Cabello Amarrilla, commander of Air Force (15 May 1989);
- 39) Brigadier General Rodolfo Davalos Chenu, director of Military Geographic Service (15 May 1989);
- 40) Brigadier General Francisco Luis Rodriguez Gonzalez, commander of the 4th Infantry Division (15 May 1989);
- 41) Brigadier General Marino Gonzalez Caceres, director of the Recruiting and Mobilization Service (15 May 1989);
- 42) Brigadier General Regis Anibal Romero Espinola, chief of the Presidential Military Household (15 May 1989);
- 43) Brigadier General Eduardo Ramon Sosa, chief of staff of the CIME (15 May 1989);
- 44) Brigadier General Lino Cesar Oviedo Silva, commander of the 1st Cavalry Division (15 May 1989).

Peru

Chilean Fishing Boats Seized, Held Port of Ilo

PY0606143889 Lima Television Peruana in Spanish
1100 GMT 6 Jun 89

[Text] The newspaper EL COMERCIO today published a report datelined Ilo, in southern Peru, stating that yesterday morning two Chilean fishing boats were intercepted in Peruvian territorial waters and escorted to Ilo by the patrol boat "PAP Rio Sana."

The Chilean fishing boats are named "Coral I" and "Coral II." They carried 130 and 80 tons of anchovies, respectively, and were operating in the Sea of Tacna.

All the fish carried by the Chilean fishing boats was unloaded yesterday at the Argo Factory of PESCAPERU [State Fishmeal and Fish Oil Production Agency]. The proceeds of the shipments will be delivered to the Fishing Ministry, as established by law.

In addition, the Port Authority General Directorate [Direccion General de Capitanias] will impose substantial fines on the fishing boat shippers. The 12-man boats remain anchored in Ilo Bay.

The report published this morning by the newspaper EL COMERCIO adds that the Peruvian Navy is continuously patrolling the Peruvian border areas.

Alleged Activities of Terrorists Reported

PY0606140489 Lima Television Peruana in Spanish
1100 GMT 6 Jun 89

[Text] A report datelined Ancash Department states that terrorists have caused a blackout by destroying two high-voltage power pylons in Tarica District, 5 km north of Huaras, Ancash Department.

In Tarica, the terrorists also set off bombs at the Callejon de Huaylas Inn on Candelaria Villar Street, Centenario District, and at a grocery store in Manco Capac District.

In Recuay, 35 km south of Huaras, terrorists destroyed the offices of the town council and of ENTEPERU [National Telecommunications Enterprise of Peru]. They also dynamited the homes of Deputy Prefect Eduardo Solis Estrada and Mayor Eliazar Borquez Moreno.

Elsewhere, it has been reported that in Aija, Ancash Department, terrorists have driven away all the teachers, thus depriving many students of an education. The terrorists do not permit students to study.

Eight Die in Clashes

PY0606140089 Madrid EFE in Spanish 0311 GMT
6 Jun 89

[Text] Lima, 5 Jun (EFE)—In the past few hours, six Shining Path terrorists, one policeman, and one civilian have died during clashes in several Peruvian townships.

In Lima, a national police officer repelled an attack in which two alleged terrorists killed National Police Corporal Senen Silva to steal his weapon. Silva had been guarding the Wiese Bank branch in the Lima district of San Martin de Porres. The Lima Prefecture (Civilian Government) reported today that a passer-by, identified as Manuel Alvarez, died during the shooting as police chased the terrorists, whom they later killed.

Travellers who arrived in Ayacucho from Huanta today reported that four Shining Path terrorists died yesterday afternoon during a clash with the Army. Huanta is 60 km from Ayacucho. According to the reports four members of the Maoist Shining Path terrorist group stopped vehicles at the entrance of Huanta (Ayacucho Department) and compelled the travellers to hand over their money. The passengers of a military bus that arrived at the scene became aware of the situation and opened fire on the terrorists, who died during the shootout.

Political violence has already claimed 50 casualties in Peru in the first 5 days of June.

Witnesses reported today that on 4 June a group of guerrillas and mercenaries linked with drug traffickers killed five members of a specialized antisubversive squad in the township of Villa Progreso, in the jungle province of San Martin.

On 4 June, seven soldiers from the Presidential Brigade were killed and another eight were wounded during a terrorist attack in Lima.

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